A Course of Study in Beginning Bookkeeping

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A COURSE OF STUDY IN BEGINNING BOOKKEEPING

BY

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B. C. J.
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CHAPTER I
AN INTRODUCTION TO THE STUDY

After having majored in Commercial Education and having taught bookkeeping for three years, the writer is attempting to organize his past experiences, knowledge, and material into a concise form. It is hoped that by so doing it will be possible to make a course of study in beginning bookkeeping interesting and beneficial to his students and help the teacher do a better job of teaching.

The writer realizes that he has three types of students—(1) those who plan to continue their education; (2) those who do not plan to continue their education and feel a need for a vocation or avocation; and (3) those who have no interest, but take the subject for some particular reason. The writer hopes to be able to meet the needs of each group of students mentioned.

The materials and suggestions in this study should be of interest to anyone who is concerned with the teaching of beginning bookkeeping or is interested in improving of the high school course of beginning bookkeeping.

The following items are discussed in the order of their appearance:

1. What prompted the study?
2. Statement of the problem.
3. Scope of the study.
4. Source of the data.
6. Similar studies.
7. Chapter summary.

What prompted the study:

The writer was prompted by the felt need of a course of study in beginning bookkeeping, first because he felt that it would save time in teaching, and
second because he felt that with this course of study, he could do a better job of teaching. The writer also was inspired to action through his taking a course on curriculum development with Dr. Bert R. Smith.

Statement of the problem:

This study involves the following divisions:

1. To build a course of study in beginning bookkeeping consisting of five units developed.

2. To suggest some way to evaluate the course of study.

Scope of the study:

The material included in this study will cover a basic knowledge of bookkeeping principles necessary to create an interest in bookkeeping or accounting as a vocation or to keep books for a proprietorship. After taking this course in beginning bookkeeping, the student should be more able to enter into a vocation or to enter an institution of higher learning.

Source of the data:

The material for the course of study has been taken from the following:

1. Text books.

2. Educational bulletins.

3. Classes in curriculum building.

4. Text books on courses of study and curriculum building.

5. Courses of study in bookkeeping.

6. Periodicals.

Technique of treatment:

The writer will attempt to organize the available material in such a way as to make it useful to him or to anyone who is interested in teaching beginning bookkeeping. The writer realizes that a good course of study includes suggestions made by the students and these suggestions have been tried out.
As the writer has been teaching beginning bookkeeping as he writes this course of study, he is trying out the material used in this course of study.

A course of study should be constantly revised, and as the writer is teaching from this course of study, he feels that some revision may be done as the course of study progresses.

Similar studies:

A number of courses of study have been written in beginning bookkeeping by various schools; but because these are too condensed or prepared for other purposes, none of them will fit the need.

Four other studies, which are known to the writer, have approached courses in a similar manner. To the writer's knowledge no course of study in beginning bookkeeping has been written which has approached the subject in a similar manner.

The present chapter serves as an index to the following chapters:

Chapter II An Introduction to a Course of Study
Chapter III Unit Organization of a Course of Study
Chapter IV Evaluation of a Course of Study
Chapter V Bibliography for the Course of Study

Chapter summary:

1


The following main points are brought out in this chapter:

1. This study should help the teacher to
   a. Create greater interest in bookkeeping
   b. Do better teaching

2. The study was prompted by a felt need for such a course of study and to satisfy part of the requirements for a Master of Arts degree.

3. The study involves three main divisions:
   a. Introduction
   b. Five units
      (1) Unit I The Bookkeeping Cycle in its Simplest Form
      (2) Unit II Time-Saving and Labor-Saving Procedures
      (3) Unit III Small Business Bookkeeping
      (4) Unit IV Adapting Bookkeeping Methods to the Needs of the Business
      (5) Unit V Useful Applications of Principles Taught
   c. A means of evaluating

4. The scope of the study includes an introduction to beginning bookkeeping as usually taught in high school.

5. Material used was taken from as many available sources as possible.

6. There have been no other studies in beginning bookkeeping that have approached the problem in this manner.
CHAPTER II
AN INTRODUCTION TO THE COURSE OF STUDY

Bookkeeping has been a means of keeping records for as long as the history of commerce is recorded. The science of bookkeeping has progressed throughout the history of man from the crudest forms of record keeping cut into clay tablets in the earliest records of history to the extensive systems of bookkeeping used by our present-day business organization.

It would be an impossibility to find anyone whose life is not affected by bookkeeping. Bookkeeping records the world's transactions. Business organizations, social organizations, families, or individuals could not be carried on without the use of bookkeeping.

Eventhough everyone uses bookkeeping, very few people understand the principles of good bookkeeping practices. The fact that few people understand bookkeeping makes it a very profitable vocation for anyone who will take the time to learn the subject. There is no mystery to learning to keep books. If the student will learn a few logical rules and learn to apply these rules, the vocation of bookkeeping will become a very interesting and profitable profession.

When the writer started to teach bookkeeping, he had had experience in the field of auditing. The new teacher expects to find that his experiences will help him in the teaching a new subject; but he finds that there is no courses of study written for his subject; or if there are courses of study, he does not know about them. Every new teacher would appreciate a course of study in his subject.

This course of study is prepared to help the beginning teacher, and it is prepared in such form that it may be used in a state-wide program.

This chapter will present at length the points to be considered in such
an undertaking. These points will be discussed in the following order:

1. Organization Chart
2. Steps in a State-Wide Curriculum Program
3. My Philosophy of Secondary Education
4. The Principles of Curriculum Construction
5. Terminology
   a. General Terms with Their Definitions
   b. Specific Terms with Their Definitions
6. Objectives of Secondary Education
7. Objectives of Bookkeeping
8. The Structural Pattern for a Unit
ORGANIZATION CHART

PEOPLE

STATE
BOARD OF EDUCATION

SUPERINTENDENT
OF PUBLIC INSTRUCTION

CURRICULUM DIRECTOR

Steering Committee

Editing Committee

Administration Committee

Production Committee

Installation Committee

Evaluation Committee
Steering Committee

I Purpose
A. To guide or steer

II Responsible Agents
A. Curriculum Director

III Advisory Agents
A. One teacher representative from the following:
1. Murray Kentucky State College
2. Western Kentucky State College
3. University of Louisville
4. University of Kentucky
5. Eastern Kentucky State College
6. Morehead State College
7. Private Colleges
8. Junior Colleges

Administration Committee

I Purpose
A. To initiate program
B. To make a survey of the educational needs
C. To establish the organization
D. To set up steps in curriculum construction
E. To determine size, scope, and cost
F. To determine objectives of education
G. To determine program of students
H. To determine grade placement and time allotment
I. To educate the teaching staff
J. To educate the lay public
K. To provide for continuous revision program

II Responsible Agents
A. Board of Education
B. Superintendent
C. Supervisors
D. Principals

III Advisory Agents
A. Teachers
B. Curriculum Director
C. Curriculum Specialists
D. Lay Public

IV Committees
A. Adult Education Teachers
B. Senior High School Teachers
C. Junior High School Teachers
D. Elementary School Teachers
E. Kindergarten Teachers
F. Nursery Teachers

Production Committee

I Purpose
A. To produce courses of study

II Responsible Agents
A. Classroom Teachers
B. Teaching Principals

III Advisory Agents
A. Curriculum Director
B. Board of Education
C. Superintendents
D. Principals
E. Department Specialists
F. Outside Consultants
G. Supervisors

IV Committees
A. Adult Education Teachers
B. Senior High School Teachers
C. Junior High School Teachers
D. Elementary School Teachers
E. Kindergarten Teachers
F. Nursery Teachers

Installation Committee

I Purpose
A. Determine operations
B. Conduct try-outs and experiments
C. Revise constantly

II Responsible Agents
A. Curriculum Director
B. Principals
C. Teachers

III Advisory Agents
A. Supervisors
B. Superintendent
C. Principals
D. Curriculum Director
E. Board of Education
F. Outside Consultants.

IV Committees
A. Adult Education Teachers
B. Senior High School Teachers
C. Junior High School Teachers
D. Elementary School Teachers
E. Kindergarten Teachers
F. Nursery Teachers

Evaluation Committee

I Purpose
A. Comparison of the outcomes with the objectives
B. Experiment and try-out the course of study
C. Revise

II Responsible Agents
A. Superintendents
B. Principals
C. Teachers

III Advisory Agents
A. Curriculum Director
B. Other Administrative Officials

IV Committees
A. Adult Education Teachers
B. Senior High School Teachers
C. Junior High School Teachers
D. Elementary School Teachers
E. Kindergarten Teachers
F. Nursery Teachers

Editing Committee

I Purpose
A. To edit
B. To publish

II Responsible Agents
A. Curriculum Director
B. Chairman of:
   1. Administration Committee
   2. Production Committee
   3. Installation Committee
   4. Evaluation Committee

III Advisory Agents
A. Curriculum Director
B. Board of Education
C. Superintendents
D. Principals
E. Department Specialists
F. Outside Consultants

IV Committees
A. Production Chairman
B. Administration Chairman
C. Installation Chairman
D. Evaluation Chairman

Steps in a State-Wide Curriculum Program

A great work is never accomplished without planning. If we plan for those material things that will stand forth to the sight of man, why should we not plan for our youth with a curriculum program?

In curriculum building, as in all other building, it is necessary to have a series of steps to follow in order to assure progress in the work. A disorganized piece of work will have its effectiveness destroyed.

The responsibility for the establishment and the provision of the continuity of the steps rests on the shoulders of the administrative branch of the organization.

A list of steps in their proper order is as follows:

1. The superintendent must sense the need and initiate the program.
2. The education of the Board of Education in order to acquire legal and financial support.
3. The selection of the curriculum director with full authority to formulate the policies and procedures for developing the program.
4. Determination of scope, length, size, and costs of the curriculum program.
5. The establishment of the organization and the selection of the

Cocking, Walter D., Administrative Procedures in Curriculum Making for Public Schools, Contributions to Education, No. 329, (New York, Teachers College, Columbia University, 1926.)


Wesley, Edgar Bruce, Teaching the Social Studies, (Boston, D. C. Heath and Company, 1946.)
curriculum specialists and of other personnel for the committees.

6. The organization and education of the members of the education corps and lay public for curriculum development.

7. A state-wide school and community survey by those who are participating in the curriculum program.

8. The development of general and departmental objectives of the curriculum program.

9. Determination of subjects or units versus normal pupil activities and determination of contents with relation to textbooks and supplies.

10. The curriculum library.

11. The production of courses of study.

12. The installation of the new courses of study.


15. The establishment of a continuous-revision program.

My Philosophy of Secondary Education

America has always been considered as the land of opportunity. Our country was founded by people who considered that each man should have an opportunity to be what he wants to be. "You are what you think," has long been the "cry-word" of our civilization. What will you think? Is the thinking of our nation going to be influenced by the prejudices that are set up out of ignorance and superstitions, or is it going to be the constructive, straight-thinking, educated American that will be the citizen of tomorrow?

Philosophy is the sum total of well-organized thinking. It is often described as a system of beliefs which we use to guide us in determining the
values of life. As education is life, there must be a philosophy of education determined before a course of study can become a living process that will make our educational procedure function toward a desired end.

My philosophy of secondary education is as follows:

1. Secondary schools are for the more able vs. Secondary schools are for all:

Secondary schools should be established with the idea that all can attend. During the secondary school period the pupils are going through the most important development of their lives. An education will help the pupil adapt himself to the customs, attitudes, and the ideals of being a good citizen. Education is life—everyone must live.

2. School is a place to learn subjects vs. School is a place to learn to live:

School is a place to learn to live. The subject is important as a basis for thought, but facts without a use for them or the knowledge of how to use them has failed the student. The student that knows only facts and does not know application of those facts is a failure in life.

3. Make pupils more nearly alike vs. Develop differences in pupils:

The school should develop the differences in pupils and capitalize on these differences in order to give our nation the advantage of those differences. Almost all of our students are of average ability. They will become the average citizens of a nation made up of people of individual differences.

4. Follow a predetermined curriculum vs. Class evolve their curriculum:

The school should follow a predetermined curriculum. The curriculum should be under constant revision so that it may grow out of the experiences and activities of the pupils and the teacher. It should meet individual needs and arising circumstances.
5. Uniform curriculum for all pupils vs. Individualized curriculum:---

The school should have a uniform curriculum for all pupils with provisions for the individual's needs—individual differences must be recognized. The pupil is entitled to give the best of his abilities, talents, and concepts and be able to realize his ambitions.

6. Following traditional methods and materials vs. Seeking new and untried methods and materials:---

The school should follow traditional methods and materials if they will meet all the requirements of the ever present needs of the pupils. It is not always possible to secure the desired results with the old traditional methods and materials; and if this is found to be true, the teacher should try some new and untried methods and materials so that the pupil will benefit in his learning.

7. Emphasis on cultural values vs. Emphasis on practical values:---

The school should develop cultural and practical values on the same level. Too much emphasis on one will have the tendency to neglect the other. A well-rounded individual must have both cultural and practical values.

8. Emphasis on specialized training vs. Emphasis on general education:---

The secondary school should place its emphasis on general education for the average pupil. Specialization in education should be left for the colleges. The pupil of high school age rarely knows what he wants to do, therefore, specialization would restrict his choices later.

9. Emphasis on information vs. Emphasis on attitude:---

The school should place emphasis on both information and attitude. The first thing that the school must do is to develop a good attitude so that the pupil will grasp the information we would have him to grasp.
because, eventhough the teacher may know the subject matter and is not professionally trained, she will waste the pupils' time. Subject matter may be learned in the classroom, but professional preparation must be obtained at some teacher-training institution.

15. School plant for school use vs. School plant for community use:—

The school plant should be used for both school use and community use. If your school plant is open to the people in the community, they will become interested in the needs and the general welfare of the school.

16. Plant fully equipped and self-contained vs. Extension of plant by utilization of community agencies:—

The extension of plant by utilization of community agencies is preferable because every community wishes to aid the school in every way that it can. The community takes pride in its school plant. People enjoy working for the school so that their children may have a better school.

The Principles of Curriculum Construction 2

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Smith, Dr. Bert R., Professor of Education, Western Kentucky State College, Bowling Green, Kentucky, 1952, Class Notes.


There are certain principles or guides that must be observed before a curriculum can be made constructively. It is necessary to keep referring to the guiding principles because a good curriculum is under constant revision.

The principles stated in the following pages should be a help as a guide to all persons who work on a curriculum construction program. Some of these principles have been condensed; and in some cases, two or three principles are combined into one statement.

These principles have been placed in logical order so as to make them more practical, and it should make them easier to follow.

The guiding principles of curriculum construction recommended in this course of study are listed below:

1. Determine and state your philosophy of life, education, and the curriculum

   Every curriculum construction program must have a philosophy of life, education, and the curriculum. Philosophy is defined as straight thinking. It is necessary that this straight thinking be done so that you will have a starting point from which to work.

2. Set up a list of guiding principles

   You must set up your guiding principles in order that each person working on the program will know the laws guiding the development of the curriculum.

3. Education has its foundation in the nature of society and in the nature of the individual

   The school is an agency of society established solely for its perpetuation and re-creation. The child must meet the needs of social life; so that, the needs of education will vary with the need of participation in social life.

4. Growth and development are continuous processes

   The individual learns through his experiences. As individuals do differ
in physical, emotional, and mental characteristics, the curriculum must take
these facts into consideration. An individual will seek experiences that have
given him satisfaction and avoid experiences that have not given him satisfac-
tion. The curriculum cannot always guarantee satisfactions, some unsatisfac-
tory experiences are necessary to learning.

5. The school must recognize and provide for the shifting civilization

Society must insist upon the amount and type of education which will best
protect it. When any part of the curriculum becomes useless to the good of
civilization, that part of the curriculum must be discarded. It is also true
that some materials must be added when they are needed.

6. A curriculum should be flexible enough to provide for individual
differences in children, whatever these differences may be

Every child differs from the other in his thinking, acting, feeling, etc.
The teacher must be able to recognize these differences in constructing her
part of the curriculum. It is truly said that what the school is able to do
for a particular child is dependent upon the teacher's knowledge of that child.

7. As far as it is practicable, the curriculum program should embody
the most advanced educational thought and method

The curriculum should meet the immediate needs and abilities of child life
and the demands of adult society. It is the responsibility of the school to
carry on activities for children which normal social life outside of the school
does not provide, and the school should teach those essential things that are
not taught effectively by other institutions.

8. All subject matter should contribute to the objectives of educa-
tion

The degree to which a subject makes its contribution to the objectives of
education should determine its selection. In general, that subject matter is most important which affords the greatest opportunities for associative learning and applications of life.

9. The units of instruction must be defined

The units of instruction must be defined if all the workers in the curriculum program are going to understand their jobs. Too much confusion will result if each person working on the program has a different understanding of a term.

10. Curriculum making must be translated into better teaching

Curriculum making must recognize the similarities as well as the differences between communities. Curriculum making is also based upon the availability of scientific investigations, studies, and reports. This wealth of information will help prepare the teacher. This will in turn have its effect on the teaching—it will make it better.

11. Every teacher should participate in a curriculum construction program

Every teacher should participate in a curriculum construction program according to her interests, needs, and abilities. The success of the program will be determined to a great extent by the degree to which it is thoroughly understood and used by the teacher. What better way is known for a teacher to understand and use a curriculum than to have her participate in its construction.

12. Public opinion fixes our educational creed and controls all of our undertakings

Public opinion has always been a ruling factor in a democratic form of government. The school should recognize its duty to society to guide public opinion into the channels that will be so much better for society as a whole.

13. Curriculum making must be a function of every school
The school that does not make curriculum making a function of the school is failing society. Society should not be forced to support an institution that is not giving its best for the betterment of that society.

14. A curriculum is continuous

The curriculum program must make changes in order to keep up with the needs of an ever-changing environment. It would be impossible to construct a curriculum in advance with the expectation of using it on a later date because we live in an ever-changing world. A curriculum must have a continuous-revision program.

Terminology

Concepts of terms vary greatly in the study of the curriculum today. The word unit differs in meaning to the minds of different men. One man will believe that committing a fact to memory is a knowledge of that fact; another

Arkansas Cooperative Program to Improve Instruction, Bulletin No. 1, "Study Program," (Little Rock, Arkansas, State Department of Education, 1933.)

Arkansas Cooperative Program to Improve Instruction, Bulletin No. 5, "A Tentative Course of Study for Arkansas Schools," (Little Rock, Arkansas, State Department of Education, 1936.)


North Carolina Publication, No. 179.

South Dakota Bulletin, No. 1.


Webster's Dictionary.
man will believe that he has not learned until he has the ability to use and understand the fact.

One person will speak of interest as though all interests are spontaneous; while another has always conceived interest as being biologically inherited and more or less expressed regardless of environment.

I have selected my terminology from different sources. I believe this terminology will help clarify the understanding of curriculum.

General Terms with Their Definitions

**Ability:** Ability implies the power to do, based upon capacity and training.

**Activity:** Activity is a form of physical or mental behavior in which the individual or group engages to achieve a purpose.

**Adaptation:** Adaptation is the process of selecting and organizing materials and procedures of the curriculum to meet the specific needs of groups and the varying needs of individual pupils.

**Adjustments:** Adjustments is a process of bringing into proper relationship the various phases of the curriculum.

**Annoyance:** Annoyance is a feeling of displeasure or vexation. It is not synonymous with pain, but rather denotes a lack of ease, of satisfaction, or of pleasure.

**Articulation, Vertical:** Vertical articulation implies the continuous development of a curriculum that builds smoothly and economically through the units of school organization.

**Articulation, Horizontal:** Horizontal articulation implies the correlation of related forms of activity within the units of the school organization.

**Attitude:** An attitude is a relatively fixed way of thinking and feeling.

**Appreciation:** An appreciation is a sense of value; a feeling of worth.
satisfying emotional response.

Center of Interest: A center of interest is a phase of the group culture around which activities are evolving from variety of related interests.

Concept: A concept is the idea one has of anything that can be perceived by the sensor, thought of, or imagined.

Content: Content is any instructional material or experience which will help the pupil in the development of understanding, skills, and appreciation.

Course of Study: A course of study is that part of the curriculum prepared by the classroom teacher for classroom use.

Criteria: A criteria is a standard of measurement or evaluation.

Curriculum: The curriculum is the totality of subject matter, experiences, and activities which constitutes the pupil's school life. The six types of curriculum are broad field, core, correlatd, experience, fused, and subject.

Broad Field Curriculum: Broad field curriculum consists of the combination of two or more subjects or closely related fields.

Core Curriculum: A core curriculum is composed of those areas of human experiences which are considered basic and essential to all pupils.

Correlative Curriculum: A correlative curriculum is the organization of subject matter in various separate subjects so that there may be a continuous relationship among them.

Experience Curriculum: An experience curriculum is one that is organized as far as possible in view of the current normal life experiences of the learner as the fundamental criteria for the selection and the organization of the learning materials and activities.

Fused Curriculum: A fused curriculum is one in which two or more subjects are organized as one subject.

Subject Curriculum: A subject curriculum consists of homogenous areas of learning.
Device: A device is a plan or scheme to stimulate thinking and action; it might also be called a combination of ideas to help in the formation of new ideas.

Education: Education is a process of growth through experience; it means a liberation of capacity.

Evaluation: Evaluation is the appraisal of the degree to which all the important objectives of the curriculum are being realized. It is more than the process of giving and scoring written examinations. It requires a continuous study of each pupil and a culminating record of his development throughout the years of formal development.

Experience: Experience is the actual living through a situation and relating to its various aspects. Experience includes what every person does or undergoes that results in changes in meanings and his conduct.

Field: A field is a broad, relatively homogenous area of learning, eg., history, mathematics, etc.

Fusion: Fusion is the organization of two subjects as one, or it may extend to whole groups of subjects, eg., music, literature, etc.

Generalization: Generalization is a conclusion of extensive applicability derived from observation of a number of individual cases.

Group Culture: Group culture is the accumulation of the experiences of a race.

Growth: Growth means training of such a sort or to facilitate understanding and appreciation of all human interest.

Habit: A habit is a relatively fixed way of reacting to similar situations.

Integration: Integration is the process of organizing experience into a unified and comprehensive whole or generalization in order to enable an individual to understand relationships.

Interest: Interest is the drive to action; it is an attitude toward experiences.
Knowledge: Knowledge is an adaptive control of conduct that functions in such a way as to make the results of one experience freely available in other experiences--an aid in solving new problems.

Learning: Learning is the actual experiencing of an individual in situations in which he develops understandings, attitudes, appreciations, skills, and habits.

Leisure-Time Activities: Leisure-time activities are all those activities of a physical, intellectual, or aesthetic nature which individuals can choose during the time that is entirely at their disposal.

Meaning: Meaning is that which a thing signifies, that which it is designed or intended to express. Meanings learned from former experiences are the elements that we put together when we "size up" a situation, or recognize a thing, or make an appropriate plan for dealing with a new problem.

Method: Method is the manner of doing a thing. In education a desirable method makes effective use of all the elements in learning situations.

Motivation: Motivation is the act of arousing interest of an individual in an understanding, and of creating in him a desire to act.

Objective: An objective is an end in view to give direction to the educative process.

Outcome: An outcome is what the child actually learns in terms of ability, habits, understandings, skills, appreciations, and attitudes.

Personality: Personality is that which constitutes distinctiveness of person—the sum total of mental, emotional, character, and physical traits.

Philosophy: Philosophy is literally the love of wisdom; it is a body of philosophical principles; especially the body of principles underlying a given branch of learning. It is the science which investigates the facts and principles of reality and of human nature and conduct.
Principle: A principle is a fundamental truth; a comprehensive law or doctrine; a statement of general application which is a guide to action.

Program of Studies: A program of studies consists of a catalog of all courses of study offered.

Project: A project is a significant unit of activity of a problematic nature, planned and carried to completion by the pupils and teacher in a natural manner, and involving the use of physical materials to complete the unit of experience.

Pupil Participation: Pupil participation is the child's response to a problem or situation which is before the group. This response may be physical, mental, or emotional.

Satisfaction: Satisfaction is the feeling or condition that results from the successful completion of an undertaking. Satisfaction may be either immediate or deferred.

Scope: Scope is the range or extent of view. It implies that limits or boundaries are set up for any one particular undertaking.

Sequence: Sequence is the appropriate arrangement of related experiences.

Skill: Skill is the ability to perform in such a way to be able by such a performance to secure dependable results in recurring situations.

Society: Society is the whole system into which group life is united by human relationships.

Subject Matter: Subject matter is that part of the group culture employed by the school to enable the child to give meaning to his experience.

Teaching Procedure: Teaching procedure is a standard procedure in the presentation of instructional material and the conduct of activities.

Test: A test is an instrument for measuring and evaluating the outcomes of experiences in keeping with the objectives of education.

Understanding: An understanding is a general concept which results from
organizing and interpreting the meanings of the various aspects of a given situation.

Unification: Unification is an orderly arrangement of related elements of the curriculum to the end that integration may be effected.

Unit: A unit is a series of worth-while experiences, purposeful activities, and functional subject matter bound together around a central theme of child interest or enriched subject matter.

Work Sheet: A work sheet is a large assignment.

Specific Terms with Their Definitions

A. B. A. Numbers: A. B. A. numbers are the identification numbers assigned to banks by the American Bankers Association.

Abstract of Accounts Payable: An abstract of accounts payable is a list showing the account titles and the balances in the accounts payable ledger.

Abstract of Accounts Receivable: An abstract of accounts receivable is a list showing the account titles and the balances in the accounts receivable ledger.

Account: An account is a device for grouping and summarizing the changes caused by transactions.

Account Balance: An account balance is the difference between the two sides of an account.

Account Title: An account title is the name given to an account.

Accounting Period: The accounting period is the period for which an analysis of the operations of the business is made.

Accounts Payable Account: An accounts payable account is an account in the general ledger that shows the total amount owed to creditors.

Accounts Payable Ledger: An accounts payable ledger is a subsidiary ledger containing the individual accounts with creditors.
Accounts Receivable Account: An accounts receivable account is an account in the general ledger that shows the total amount collectible from customers.

Accounts Receivable Ledger: An accounts receivable ledger is a subsidiary ledger containing the individual accounts with customers.

Accrual Basis: The accrual basis is a method of keeping accounts that shows expenses incurred and income earned for a given fiscal period, even though such expenses have not been paid nor has the income been received in cash.

Accrued Expenses: Accrued expenses are expenses that are incurred in one fiscal period but are not paid during that period.

Accrued Income: Accrued income is income that is earned in one fiscal period but is collected in a later fiscal period.

Adjusting Entries: Adjusting entries are general journal entries made at the end of a fiscal period to bring the asset, the liability, the income, and the expense accounts up to date.

Adjusted Trial Balance: An adjusted trial balance is a merger of the amounts in the trial balance columns of the work sheet with the amounts in the adjustments columns.

Analysis Paper: Analysis paper is accounting paper with many amount columns used for analysis purposes.

Appointment Book: An appointment book is a book in which all appointments are listed. It also serves as a record of daily charges to patients' accounts and cash collections from patients.

Articles of Co-Partnership: The articles of co-partnership is the written agreement by which a partnership is formed.

Assets: Assets are things that a person owns.

Authorized Capital Stock: Authorized capital stock is the total amount of stock that a corporation is permitted by its charter to issue.
Bad Debts: Bad debts is the expense that results from failure to collect amounts due from charge customers.

Balance Sheet: A balance sheet is an itemized statement for a given date showing what is owned, what is owed, and the net worth.

Balancing an Account: Balancing an account is the process of determining the balance of an account, writing it on the smaller side, totaling and ruling the account, and bringing the balance into the new section of the account below the double lines.

Bank Discount: Bank discount is interest charged in advance by a bank.

Bank Service Charge: A bank service charge is a monthly charge made by a bank whenever a depositor's balance is less than a fixed sum or whenever the balance is small compared to the number of checks written.

Board of Directors: The board of directors is a group of stockholders elected to manage the business of the corporation.

Book Value: Book value is the estimated present value of the equipment as shown by the records.

Budget: A budget is an estimate of the income and expenditures for a future period of time.

Business Transaction: A business transaction is any act of a business that involves buying or selling or other exchanges in value.

Canceled Check: A canceled check is a check paid by the bank during the month, perforated by the bank, and returned to the depositor with his bank statement.

Capital Stock: Capital stock is the total shares of ownership of a corporation.

Case Docket: A case docket is a record kept by an attorney with clients who engage him to represent them in litigation.

Cash Basis: The cash basis is a method of keeping accounts under which no entries are made for income until cash is actually received, and no entries
are made for expenses until cash is actually paid.

Cash Discount: Cash discount is a deduction that the seller allows on the amount of an invoice to encourage the purchaser to make prompt payment.

Cash Over: Cash over is the amount by which the cash on hand exceeds the balance of the cash account.

Cash Receipts Journal: A cash receipts journal is a special journal in which all cash receipts and only cash receipts are recorded.

Cash Register: A cash register is a business machine that is used to record sales transactions.

Cash Short: Cash short is the amount by which the cash on hand is less than the balance of the cash account.

Cash Transaction: A cash transaction is a transaction in which cash is received or paid.

Certificate of Incorporation: A certificate of incorporation is a written application to the state for permission to incorporate.

Charge Customer: A charge customer is one to whom merchandise is sold on account.

Charge Sale: A charge sale is a transaction in which merchandise is sold with the agreement that the amount is to be paid at some date later than that of the sale.

Chart of Accounts: A chart of accounts is a list of accounts that shows the arrangement to be used in the ledger.

Closed Account: A closed account is an income or an expense account with equal debits and credits.

Closing Entry: A closing entry is an entry in the journal to transfer the balance of one account to another account.

Closing the Ledger: Closing the ledger is the entire process of summarizing
the income and the expense accounts and transferring the net profit or the net loss to the proprietor's drawing account.

Collection Docket: A collection docket is a record kept by an attorney with clients who engage him to make collections for them.

Combined Entry: A combined entry is an entry that contains two or more debits or two or more credits that might have been separated into different entries.

Co-Operative: A co-operative is a type of business enterprise that is owned by its customers.

Corporation: A corporation is a form of business organization that may have many owners with each owner liable only for the amount of his investment in the business.

Correcting Entries: Correcting entries are general journal entries to correct errors in the bookkeeping records.

Credit Memorandum: A credit memorandum is a special business form that contains a record of the credit that the seller has granted for returns, overcharges, allowances, and similar items.

Credits: Credits are amounts recorded in the right-hand or credit-amount column of the journal.

Current Assets: Current assets are assets in the form of cash or that can be converted into cash within a short period of time.

Current Liabilities: Current liabilities are liabilities that are to be paid at an early date.

Debits: Debits are amounts recorded in the left-hand or debit-amount column of the journal.

Deferred Charges: Deferred charges are assets that will be consumed in a short time through use.

Deposit Ticket: A deposit ticket is a form provided by the bank on which the
Depositor lists all the items that he wishes to deposit in the bank.

**Depreciation**: Depreciation is the constant decrease in the value of fixed assets because of wear and the passing of time.

**Detailed Audit Strip**: A detailed audit strip is a paper tape on which each of the transactions entered in the cash register is automatically printed.

**Discount on Purchases**: Discount on purchases is a cash discount taken by the buyer.

**Discount on Sales**: Discount on sales is a cash discount granted to a customer.

**Dividend**: A dividend is the amount of profits to be distributed to stockholders.

**Dishonored Note**: A dishonored note is one that the maker refuses to pay or to have renewed at maturity.

**Equipment Record Card**: An equipment record card is a card record that shows the equipment issued to and returned by each player.

**Expense**: An expense is any decrease in proprietorship that results from the operation of the business.

**Fiscal Period**: A fiscal period is the period for which an analysis of the operations of the business is made.

**Fixed Assets**: Fixed assets are assets that will be used for more than one fiscal period in the operation of a business.

**Footing**: A footing is the total of an amount column.

**General Journal**: A general journal is a journal used to record miscellaneous transactions.

**Goodwill**: Goodwill is the difference between the book value of a business and its purchase price when the latter is greater than the book value.

**Gross Profit on Sales**: Gross profit on sales is the difference between the sales and the cost of merchandise sold.

**Grand Total**: Grand total is a term used on detailed audit strips to indicate
the total cash received.

Income: An income is any increase in proprietorship that results from the operation of the business.

Interest-Bearing Note: An interest-bearing note is a note that bears interest.

Interest Rate: The interest rate is the percentage of the principal that must be paid for the use of the money for one year.

Invoice: An invoice is a formal business paper prepared by the seller that shows the buyer what has been sent, when it was sent, and the total cost of the purchase.

Journal: A journal is a book used to record transactions one after another in the order in which they occur.

Journal Entry: A journal entry is an entry in the journal to record a transaction.

Journalizing: Journalizing is recording transactions in journals.

Ledger: A ledger is a group of accounts.

Liabilities: Liabilities are amounts that are owed.

Livestock Purchased Cost: Livestock purchased cost refers to the amounts paid for livestock that is purchased for the purpose of being fed for a few months only and sold.

Livestock Purchased Sales: Livestock purchased sales refers to the amounts received from the sale of livestock that was purchased for the purpose of resale.

Loss on Fixed Assets: Loss on fixed assets is the loss that results when the book value of a fixed asset is greater than the actual value at the time the asset is disposed of.

Membership Record Book: A membership record book is a book that lists the names of all the members of an organization and shows the dues that have been collected from each member.
Merchandise Inventory: Merchandise inventory is the value of the merchandise on hand.

Merchandise Received for Produce: Merchandise received for produce is income represented by the market value of groceries or other goods which the farmer may accept in exchange for his produce.

Miscellaneous Current Entries: Miscellaneous current entries are current entries that cannot be recorded in special journals and that are recorded in the general journal.

Net Loss: Net loss is the amount by which the expenses for a fiscal period exceed the income for that period.

Net Profit: Net profit is the amount by which the income for a fiscal period exceeds the expenses for that period.

Non-Interest-Bearing Note: A non-interest-bearing note is a note that does not bear interest.

No-par-Value Stock: No-par-value stock is stock whose face value is not printed on each certificate.

Notes Payable Register: A notes payable register is a special book in which a business may maintain a detailed record of each note issued.

Notes Receivable Register: A notes receivable register is a special book in which a business may maintain a detailed record of each note received.

Opening Entry: An opening entry is an entry that begins or opens a new set of books.

Outstanding Check: An outstanding check is a check that has been issued by the depositor but that has not been presented for payment at the bank.

Participation Dividends: Participation dividends are the earnings distributed to each member of a co-operative in proportion to the amount of business that he has done with the co-operative during the fiscal period.
Partner: A partner is a member of a partnership.

Partnership: A partnership is a business enterprise operated by two or more persons who have combined their property or their skill or both in one venture and have agreed to share in the profits or the losses.

Par Value: Par value is the face value of each share as stated on the stock certificate.

Passbook: A passbook is a small book in which the teller enters the amount of each deposit and the date.

Patient's Record Card: A patient's record card is a card kept by a dentist for each patient. The front of the card contains a complete ledger account of the patient; the back of the card has a chart of teeth that is marked by the dentist to show the work done.

Pay-Roll Taxes: Pay-roll taxes are taxes based on the wages and salaries of employees.

Pensions: Pensions are stated allowances made by the government or a business organization to those who have retired from service.

Petty Cash Book: A petty cash book is a memorandum book for keeping a record of payments from the petty cash fund.

Petty Cash Fund: A petty cash fund is a small fund that is kept on hand to provide the money needed for the making of payments for which it is not desirable to write checks.

Post-Closing Trial Balance: A post-closing trial balance is a trial balance taken after the closing entries have been posted and the accounts have been ruled.

Prepaid Insurance: Prepaid insurance is insurance premiums paid in advance.

Present Capital: Present capital is the proprietorship at the end of the fiscal period.
Posting: Posting is the process of transferring journal entries to the ledger.

Principal: The principal is the amount that the maker promises to pay.

Proceeds: The proceeds is the amount received for a note after the bank has deducted the bank discount.

Profit and Loss Statement: A profit and loss statement is a report showing the income earned, the expenses incurred, and the net profit or the net loss for a specified fiscal period.

Profit and Loss Summary Account: A profit and loss summary account is an account to which the balances of all the income and all the expense accounts are transferred, at the end of the fiscal period.

Profit on Fixed Assets: Profit on fixed assets is the profit that results when the book value of a fixed asset is less than the sales price.

Promissory Note: A promissory note is an unconditional written promise to pay a certain amount of money at a definite time signed by a person or persons agreeing to make payment.

Property Tax: A property tax is a tax levied on real estate.

Proprietorship: Proprietorship is the amount that would remain if the debts of the business were paid.

Proving Cash: Proving cash is ascertaining that the amount of cash on hand agrees with the balance of the cash account.

Purchase: A purchase is a business transaction involving the buying of merchandise for the purpose of resale.

Purchases Allowance: A purchases allowance is the credit received by the buyer because of inferior or damaged merchandise.

Purchases Journal: A purchases journal is a special journal in which are recorded all purchases on account.

Purchase on Account: A purchase on account is a transaction in which merchandise
is purchased with the agreement that the amount is to be paid at a date later than that of the purchase.

Purchases Return: A purchases return is the credit received by the buyer because merchandise is returned.

Rate of Estimated Depreciation: The rate of estimated depreciation is the percentage obtained by dividing the annual depreciation of a fixed asset by the original cost.

Recapitulation Form: A recapitulation form is a form similar to the combined cash journal to which the column totals in the combined cash journal are transferred at the end of the month.


Reconciling the Bank Statement: Reconciling the bank statement is the process of bringing into agreement the bank balance as shown by the monthly bank statement and the balance as shown by the record on the check stub.

Reserve for Depreciation: Reserve for depreciation is the estimated depreciation that has been recorded for a fixed asset since the time the asset was put into service.

Reversing Entry: A reversing entry is a journal entry made at the beginning of a new fiscal period to reverse an adjusting entry that was recorded at the end of the preceding period.

Sale: A sale is a business transaction in which merchandise is exchanged.

Sales Journal: A sales journal is a special journal in which are recorded all sales on account.

Sales Return: A sales return is the credit given by the seller because of damaged or defective merchandise.

Sales Slip: A sales slip is the most common immediate record of a sale on account.
Sales Tax: A sales tax is a tax on sales that the seller collects from a customer at the time of the sale.

Schedule of Farm Income and Expense: A schedule of farm income and expense is a special form, showing the details of the farm income and expenses and the resulting net farm profit, which the farmer must fill out and attach to his Federal income tax return.

Shares: Shares are the units into which the ownership in a corporation is divided.

Signature Card: A signature card is a card that a depositor signs to provide the bank with a copy of his authorized signature.

Social Security Card: A social security card is a small card issued by the Social Security Board to each employee who comes under the provisions of the Social Security Act.

Social Security Taxes: Social security taxes are any taxes imposed under the provisions of the Social Security Act.

Statement of Income and Expenses: A statement of income and expenses is a summary report that shows the amount and the sources of the income, the amount and the kind of each expense, and the net increase or net decrease in proprietorship.

Stock Certificate: A stock certificate is a certificate that is evidence of each stockholder's ownership in the corporation.

Subscribers: Subscribers are persons who promise to buy stock to organize a corporation.

Taking Inventory: Taking inventory is the process of ascertaining the present value of the merchandise on hand.

Treasurer: A treasurer is an individual who usually handles or directs the business transactions of a social organization.
Treasurer’s Report: A treasurer’s report is a written report of cash receipts and payments that the treasurer of an organization prepares and submits to the membership.

Trial Balance: A trial balance is a test of the equality of the debits and the credits in the ledger. It is a list of the account titles in the ledger with their balances.

Valuation Account: A valuation account is an account used in calculating the real value of an asset account to which it is related.

Voucher: A voucher is a form that provides written authority for a bookkeeper to record a transaction.

Withdrawals:Withdrawals are assets taken out of the business by the proprietor for his personal use.

Worksheet: A worksheet is an analysis paper that provides for the sorting and the interpreting of the trial balance on a single sheet of paper.

Objectives of Secondary Education

All school activities should be determined in the light of the accepted objectives of education. When planning instructional activities, teachers and administrators should not only have a clear understanding and appreciation of the ultimate objectives of education, but should be fully aware of the immediate

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Bobbit, John Franklin, How to Make a Curriculum, (Boston, New York, etc., Houghton Mifflin Company, 1924.)


contribution which the school subjects are expected to make to these ultimate objectives.

There is general agreement that the school functions to prepare the individual for sane and successful living and promotes the welfare of the democratic society of which he is a part. It is also generally agreed that the high school can best contribute to the betterment of society through the development of socially desirable individuals.

These objectives have been classified into six objectives that should be followed to realize this goal. These objectives are as follows:

I Health, Mental and Physical
II Citizenship and Ethical Character
III Vocational and Avocational
IV Command of the Fundamental Processes
V Worthy Home Membership
VI World-Mindedness

I Health, Mental and Physical

A. Knowledge and Understanding of:

1. Prevention of disease of body and mind
2. Community sanitation
3. Selection of proper foods
4. Administering of first aid
5. Effect of attitudes on the body and mind
6. Benefits of recreation
7. Influence of the emotions on body and mind
8. Aspect of sex—influence on mind and body
9. Heredity and reproduction
10. Effect of the nervous system on the body and mind
11. Functions of the body
12. Effective health habits
13. Disease producing organisms
14. Life processes
15. Personal cleanliness
16. Correction of common defects
17. Wearing proper clothes
18. Safety rules
19. Safety measures to prevent injury

B. Attitudes toward:
1. Wearing of proper clothes
2. Health of the community
3. Selection of food
4. Participation in good sports
5. Interest in discoveries in medicine
6. Public interest in the enforcement of health laws

C. Habits of:
1. Eating proper foods
2. Working in the interest of health
3. Getting the proper rest
4. Participating in good games and sports
5. Checking up on the condition of your health
6. Correcting physical and mental defects
7. Obeying public health laws
8. Making wholesome mental responses

D. Appreciation for:
1. The work of the medical profession
2. The power and functions of the mind and body
3. The proper health habits
4. The mind of the individual
5. The human body
6. The value of scientific discoveries concerning health
7. Community and school health programs

II Citizenship and Ethical Character

A. Knowledge and Understanding of:
   1. Democracy as a method of living and thinking
   2. Fundamental laws
   3. Rights, duties, and privileges of citizens
   4. Necessity of cooperation
   5. Persons, events, movements, and customs determined for human uplift and progress
   6. Ability to be helpful to others
   7. Relation of character to group prosperity
   8. The Bible and the Christian Religion

B. Attitudes toward:
   1. The honesty of our officials and ourselves
   2. The proper attitude toward governmental authority
   3. Greater interest in civic problems
   4. Proper sense of social obligations
   5. Realization of the value of universal language and education

C. Habits of:
   1. Having open-mindedness and tolerance in regard to the rights of others
   2. Associating easily with individuals in various stations of life
3. Having consistent interest in civic affairs
4. Being loyal to your community, state, and nation
5. Practicing the common courtesies of society
6. Being faithful in performing one's duties

D. Appreciation for:
1. Wise leadership and intelligent fellowship
2. Accepted principles for fair dealing
3. Personal obligations to contribute to present and future society
4. Laws we live by
5. Honesty, justice, reverence, purity, and the love for the beautiful

III Vocational and Avocational

A. Knowledge and Understanding of:
1. Vocational and avocational information
2. Knowledge of one's aptitudes, likes, and dislikes gained through self-analysis and exploration
3. Investments and desire for economic independence
4. Labor conditions in different places
5. Relations between social movements and economic and industrial stability
6. Foundation of technical and professional study
7. Ability of securing satisfaction in skillful performance and rendering service through one's vocation
8. Information concerning traveling
9. Psychological and physiological laws of relaxation
10. Realization of importance of developing and maintaining one or more avocation activities
11. Facts from social studies—math, science, manual arts—useful in leisure-time situations

B. Attitudes toward:
   1. Work and respect for occupations of others
   2. Fairness and Honesty in efforts and products
   3. Pride in workmanship
   4. Cooperation with others
   5. Interest in diversified reading and play
   6. Good sportsmanship
   7. Better types of literature, drama, art, and music

C. Habits of:
   1. Having a specific vocational skill
   2. Being fair and honest in effort and product
   3. Being orderly, accurate, careful, thorough, and independent
   4. Participating in good sports
   5. Enjoying good literature, drama, art, and music
   6. Participating in the social-affairs of the community
   7. Having a diversified system of using leisure time
   8. Cultivating lasting and wholesome friendships

D. Appreciation for:
   1. Specific vocational skills
   2. All vocations that are honorable
   3. Our economical system
   4. Careful workmanship
   5. Satisfaction of a job well done
   6. All activities that seem to be play
   7. Masterpieces of literature, drama, art, and music
8. Hobbies, club activities, and travel

9. Importance of developing and maintaining one or more avocational activities

IV Command of fundamental processes:

A. Knowledge and Understanding of:

1. Ability to perform with accuracy and reasonable facility the fundamental mathematical operations

2. Ability to pronounce and spell correctly

3. Ability to read intelligently

4. Ability to write with proper legibility, ease, and speed

5. Ability to carry on conversation and use the language in all ways required for proper and effective participation in community life

6. Ability to use dictionary, encyclopedia, maps, atlases, card catalogs, readers' guide, indexes, and other means of finding facts and materials wanted

7. Ability to address an audience or to conduct a public meeting with dignity and formality but without stiffness or embarrassment

8. Ability to think clearly and effectively organize and express one's thoughts

9. Mastery of essentials of written composition and grammar with special reference to letter writing

10. Mastery of fundamentals of business practices

11. Command of adequate reading, speaking, and writing vocabulary

B. Attitudes toward:

1. Application of principles in better solution of problems
2. Neatness and accuracy in good workmanship
3. Disposition to accept responsibility
4. Expending necessary energy on problems
5. Intelligent perseverance in solution of problems
6. Thoroughness in thought and action

C. Habits of:
1. Reading with a definite purpose
2. Asking pertinent questions
3. Recalling related experiences that clarify meanings
4. Speaking on one's feet without confusion
5. Speaking in complete sentences
6. Modulating the voice
7. Thinking clearly and effectively organizing thoughts
8. Expressing yourself
9. Evaluating meanings
10. Writing with proper legibility and speed
11. Making correct associations in problem solving

D. Appreciation for:
1. Factors which have contributed to one's environment
2. The accepted norms for beauty and literature
3. Good speeches, sermons, etc.
4. Good handling of business
5. Aids that are available in dictionaries, encyclopedias, etc.

V Worthy Home Membership

A. Knowledge and Understanding of:
1. Ability to manage the household
2. Ability to cooperate with members of family including willingness
to assume responsibility within the home

3. Ability to practice common household acts

4. Ability to make a household budget

5. Ability to keep house, premises, and equipment clean, orderly, and homely

6. Use of inventions in improvement of home conditions

7. Physical, mental, moral, and society qualities necessary for parenthood of desirable type

8. Essentials of home nursing and care of sick

9. Proper sanitary conditions should prevail in the home

10. Make minor repairs around the home

11. Good principles of home decoration and landscaping

B. Attitudes toward:

1. Respect for parental authority

2. Respect for members of the home

3. Will to play the part of a good neighbor

4. Accepting responsibility in the home

5. Interest in the home activities

6. Marriage and rearing children

C. Habits of:

1. Making minor repairs around the house

2. Taking care of personal clothing

3. Practicing common household arts

4. Respecting the rights of others

5. Practicing common courtesy and patience at all times

6. Being reasonable with the other fellow

7. Avoiding offensive behavior
D. Appreciation for:
1. Parents
2. The home as a fundamental social institution
3. Fair dealings accepted at all times
4. Attainments and accomplishments of others
5. Point of view of others
6. The home as the foundation for all other social institutions

VI World-Mindedness

A. Knowledge and Understanding of:
1. What other nations contributed to modern civilization
2. Ideals and aspirations of other nations
3. Economy and government of other nations
4. Population and population trends of other nations
5. World-wide organizations

B. Attitudes toward:
1. Broader views toward world problems
2. Ideals of other nations
3. Tolerance
4. Self-sacrifice in order to feed less fortunate nations

C. Habits of:
1. Promoting the spirit of world-mindedness
2. Promoting universal respect for others
3. Promoting a more tolerant spirit among nations
4. Lessening the possibilities of war
5. Supporting all world peace organizations

D. Appreciation for:
1. Ideals and aspirations of other nations
2. Leaders who are truly world-minded
3. Contributions to modern civilization by various foreign countries
4. Differences of people of other nations
5. Habits and customs indulged in by other nations

Objectives of Bookkeeping

If it is necessary for secondary education to be determined in the light of the accepted objectives of education, it is also important that each course of study that makes up that secondary education be determined in the application of these objectives. Bookkeeping will not teach all the objectives of secondary education; but when it is combined with all the other courses of study in the curriculum, it fills an important place.

Bookkeeping has won its place in the curriculum because it has been able to fill some very desirable objectives of secondary education. The objectives of bookkeeping are listed as they fit into these objectives.

The code used in listing these objectives is as follows: **I A 1** means point 1 under division A in the group I; thus:

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5. Andruss, Harvey A., Ways to Teach Bookkeeping and Accounting, (Cincinnati, Chicago, etc., South-Western Publishing Company, 1943.)


Harms, Harm, Methods in Vocational Business Education, (Cincinnati, Chicago, etc., South-Western Publishing Company, 1949.)

Sherwood, J. F., and Boling, Clem, College Accounting, (Cincinnati, Chicago, etc., South-Western Publishing Company, 1946.)

I means Objective I—Health, Mental and Physical
A means Division A—Knowledge and Understanding of:
1 means Point 1 under Division A—Prevention of disease of body and mind

A. Knowledge and Understanding of:
1. (III A 1, 6, 7, 11) The bookkeeping cycle in its simplest form
2. (III A 1, 5) Time-saving and labor-saving procedures
3. (III A 1, 7) Small business bookkeeping
4. (III A 1, 6) Adapting bookkeeping methods to the needs of the business
5. (III A 1, 10) Useful applications of principles studied

B. Attitudes toward:
1. (III B 1) Bookkeeping as a vocation or an avocation
2. (III B 4) Bookkeeping as a controlling factor in business
3. (III B 6) Laws controlling bookkeeping procedures
4. (III B 2) Integrity in dealing with others through bookkeeping

C. Habits of:
1. (III C 1, 3) Being accurate in his business dealings
2. (III C 2, 3) Handling all bookkeeping information as a trust
3. (III C 1) Knowing why as well as how
4. (III C 1, 2) Adapting his bookkeeping to the needs of his business
5. (III C 2) Being honest

D. Appreciation for:
1. (III D 1, 3) Laws that safeguard the public
2. (III D 3) Economic conditions and their causes
3. (III D 4) Bookkeeping's place in business
4. (III D 1, 9) Bookkeeping as a means of employment
The Structural Pattern for a Unit

I Title
II Introduction
III Table of Contents
IV Criteria
V Grade Placement—Time Allotment
VI Central Theme
VII Objectives
   A. Knowledge and Understanding of:
   B. Attitudes toward:
   C. Habits of:
   D. Appreciations for:
VIII Approaches
IX Development or Procedure:
   A. Study Guides with specific references and how to study
   B. Subject Matter—Knowledges—Understandings
   C. Activities, Projects, Problems
   D. Correlations
   E. Work Sheets
X Culminating Activity
XI Outcomes
   A. Knowledge and Understanding of:
   B. Attitudes toward:
   C. Habits of:
   D. Appreciations for:

Smith, Dr. Bert R., Class Notes.
XII Leads to Other Units

XIII Evaluation—Measuring Results
   A. Teacher's Evaluation
   B. Pupils' Tests
      1. Knowledge and Understanding of:
      2. Attitudes toward:
      3. Habits of:
      4. Appreciations for:

XIV Bibliography
   A. Teacher
   B. Pupil
CHAPTER III
DEVELOPMENT OF A COURSE OF STUDY INTO UNITS

The material that is to be used in this course of study in beginning bookkeeping is to be divided into five units:

Unit I  The Bookkeeping Cycle in its Simplest Form
Unit II  Time-Saving and Labor-Saving Procedures
Unit III Small Business Bookkeeping
Unit IV  Adapting Bookkeeping Methods to the Needs of the Business
Unit V  Useful Applications of Principles Studied

Each unit is developed according to the structural pattern that was given to the writer in Dr. Bert R. Smith's class in curriculum construction.

Unit I
The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

Introduction

Bookkeeping is the heart of every business. If all the bookkeepers were taken away from business, all business would be in a state of chaos. The economic status of the nation would suffer without the services that are rendered by the man who knows how to keep his records for his business.

In this unit the writer is going to try to show the beginner how to keep a set of books that would be sufficient for the average business in a small town, for his personal use, or to obtain the information necessary to prepare his records for tax purposes.

Table of Contents for Unit I
The Bookkeeping Cycle in its Simplest Form
# Bookkeeping for a Service Business

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C. The Ledger—Posting the Opening Entry

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3. Activities No. 3
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D. Business Transactions—The Effect of Transactions on Records

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2. Subject Matter No. 4
3. Activities No. 4
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E. Recording Sales and Expenses—Business Transactions that Affect Proprietorship

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2. Subject Matter No. 5
3. Activities No. 5
4. Correlations No. 5
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F. The Trial Balance—Proving the Accuracy of Records

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   3. Habits of
   4. Appreciation for

XIV Bibliography
A. Teacher
B. Pupil

Criteria for a Unit

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

1. The unit should involve a variety of direct sensory experiences.
2. The unit should provide for some free, informal association of the students.
3. The unit should provide an opportunity for manipulatives of body activities.
4. The parts of the unit should make a coherent whole.
5. The unit should provide a considerable amount of student activity.
6. The unit should be satisfying, or the anticipating of the outcomes should be satisfying.
7. The unit should provide sufficient concrete and illustrative material.
8. The unit of work should have a useful purpose in the present or future life of the student.
9. The unit should reproduce actual life situations as closely as possible.

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Harap, "Criteria," Bulletin No. 17, Curriculum Laboratory, Western Reserve University, November 30, 1931, p. 6.
10. The unit should utilize materials as they occur in life.
11. The unit should contain accurate information.
12. The unit should provide an opportunity for the pupil to originate, plan, and direct the activity as far as possible.
13. The unit should provide opportunities to judge, choose, and evaluate.
14. The unit should be within the time available for the unit.
15. The exposition should be clear enough to make it possible for a new teacher to put the unit into practice if she so desires.
16. The unit should state clearly where materials may be obtained.
17. When references are given, they should be clear and exact.

Grade Placement—Eleventh Grade
Time Allotment—Eight Weeks
Central Theme—Bookkeeping for a Service Business

Objectives

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

A. Knowledge and Understanding of:

1. The balance sheet—the first step in bookkeeping
2. The general journal—recording the beginning balance sheet
3. The ledger—posting the opening entry
4. Business transactions—the effect of transactions on records
5. Recording sales and expenses—business transactions that affect proprietorship
6. The trial balance—proving the accuracy of records
7. The work sheet—interpreting the records
8. Closing the ledger—bringing together the profit and loss accounts
B. Attitudes toward:
   1. The value of records
   2. Accuracy in recording details
   3. The advantages of summarizing information
   4. The effect of transactions on records
   5. The effect of income and expense
   6. The advantage of proving your work
   7. Using the records prepared
   8. The complete bookkeeping cycle

C. Habits of:
   1. Following instructions
   2. Being accurate in recording and posting
   3. Analyzing each entry
   4. Proving the accuracy of your work
   5. Completing each assignment

D. Appreciation for:
   1. The complete bookkeeping cycle
   2. Relationships between accounts
   3. The value of reports
   4. Bookkeeping as a vocation

Approaches

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

1. Make a display table containing forms that will be used in bookkeeping.
2. Have numerous balance sheets and profit and loss statements placed on the bulletin board—especially those of local businesses.


6. Encourage the pupils to tell of any experiences that they might have had in keeping books.

Study Guide No. 1
The Balance Sheet
The First Step in Bookkeeping

1. What is the first step in installing any new bookkeeping system?

2. What is the technical term for the things that you own?

3. What is the technical term for the things that you owe?

4. What is the technical term for your net worth?

5. How do you find your net worth?

6. Define assets.

7. Define liabilities.

8. Define proprietorship.


10. What is the bookkeeping equation?

11. Give the three main divisions of the balance sheet.

12. What three questions does the heading of the balance sheet answer?

13. Explain the left-hand side of the balance sheet.
14. Explain the right-hand side of the balance sheet.

15. Why should a business keep books?

16. How is the balance sheet ruled?

17. When is the balance sheet said to be in balance?

18. When is the balance sheet said to be out of balance?

References


Sherwood and Bolin, College Accounting, pp. 1-13; 23-24.

How to Study Bookkeeping

1. Read your study guide closely.

2. Make a preliminary survey before reading a chapter in detail.

3. Prepare a lesson as soon as possible after the recitation.

4. Before beginning the advanced work, review rapidly the last lesson.

5. Give the most time and attention to the weak points in your knowledge.

6. Pick out the important items and learn them well.

7. When drill or repetition is necessary, distribute the drill over more than
one learning period. Do not try to learn it all at once.

8. Arrange your study environment so that it will facilitate study.

9. Take time to think over what you have studied.

10. When interrupted, stop at the natural break and leave a cue for starting.

11. Do not hesitate to mark important things in your book.

12. Mentally review each paragraph as soon as you have read it.

13. Do not skip graphs, drawings, nor illustrations. Study them closely; they are learning aids.

14. Review material studied often.

15. Check yourself on your study guide.

Subject Matter No. 1

The Balance Sheet

The First Step in Bookkeeping

I The value of bookkeeping records

A. Shows progress of the business

1. Make plans for the future

2. Avoids mistakes

3. Analyzes changes

B. Makes a successful business

II The starting point

A. Find out what the business owns

B. Find out what the business owes

C. Find out what the business is worth

III Personal bookkeeping

A. Find out what you own

1. Cash on hand—$320.00
2. Government bonds—$750.00
3. Automobile—$550.00
4. Furniture—$1600.00
5. House and lot—$6000.00

B. Find out what you owe
1. Owed to the grocery—$29.00
2. Owed to the meat market—$25.00
3. Owed on the mortgage—$3000.00

C. Find out what you are worth
1. Find the total owned
2. Find the total owed
3. Subtract the total owed from the total owned

IV The balance sheet
A. Definition of

B. Form of
1. Right side—assets
2. Left side—liabilities and proprietorship
3. Ruling

C. Analyzing the balance sheet
1. Who? The name of the individual for whom the balance sheet is prepared
2. What? The name of the form
3. When? The date for which the balance sheet is prepared

D. The bookkeeping equation
1. Definition of terms
   a. Assets
   b. Liabilities
c. Proprietorship

2. Assets are equal to liabilities plus proprietorship

V Starting a bookkeeping record

A. Personal
B. Social
C. Business

Activities No. 1

The Balance Sheet

The First Step in Bookkeeping

1. Secure several prepared balance sheets for observation.
2. Show a balance sheet with an opaque projector.
3. Point out the heading of the balance sheet.
4. Point out the asset section of the balance sheet.
5. Point out the liabilities and proprietorship sections of the balance sheet.
6. Have each pupil complete the following exercises:
   
   Exercise 1, page 8
   Exercise 2, page 8
7. Discuss the finished exercises.
8. Have a business man come to talk about the place of the opening entry in his business.

Correlations No. 1

The Balance Sheet

The First Step in Bookkeeping

Arithmetic:

Learn to add simple numbers.
Learn the combinations of numbers.

Economics:
Discuss the relationship between bookkeeping and economics.
Discuss bookkeeping as a basis for proving economic theories.

Language:
Tell of your experiences with bookkeeping.
Class discussion.

Reading:
Read as many of the suggested readings as you can.
Read the subject matter in your textbook.

Spelling and Vocabulary:
Learn to spell the following terms:
Learn the meaning of the following terms:
assets
liabilities
proprietorship
balance sheet

Work Sheet No. 1
The Balance Sheet
The First Step in Bookkeeping

Fill in the blank spaces with the word or words that will best complete the following statements:
1. The name of the business for which a balance sheet is prepared is written at the _____.
2. The date of the balance sheet is written beneath the words _____.
3. The three parts of the heading of the balance sheet are the _____.
4. the _____, and 5. the _____.
6. The assets are listed on the _____ side of the balance sheet.
7. Liabilities and proprietorship are listed on the _____ side of the balance sheet.
8. An item listed on the left side of the balance sheet shows that the business _____ the item.
9. An item listed under the liability section of the balance sheet shows that the business _____ the item.
10. Anything that is owned by the business is known as _____.
11. Anything that is owed by the business is known as _____.
12. Net worth is found by subtracting the _____ from the 13. _____.

Answer each question by writing yes or no in the space provided at the end of each question.

14. Is each account payable usually listed on the balance sheet? _____
15. If A's liabilities are $4,000 and his proprietorship is $9,000, are his assets $13,000? _____
16. Is a debtor one to whom a debt is owed? _____
17. Is the difference between what is owned and what is owed called net worth? _____
18. Does the balance sheet report the financial condition of the business for a certain period? _____
19. Is the debit side of an account the left side? _____

Key to Work Sheet No. 1

The Balance Sheet

The First Step in Bookkeeping

1. top of the page 6. left 11. a liability 16. no
Study Guide No. 2
The General Journal
Recording the Beginning Balance Sheet

1. Name the two important elements in each bookkeeping transaction.
2. What characteristic do these two elements have in common?
3. Why are business transactions first entered into a book of original entry?
4. Explain the use of the date column.
5. Explain the use of the description column.
6. Explain the use of the debit money column.
7. Explain the use of the credit money column.
8. List the steps used in making the opening entry.
9. Why is it so important to explain each entry in the journal?
10. What is the correct form for making all journal entries?
11. Name the three parts of the date of any transaction.
12. What kind of balance sheet items are listed in the debit money column of the journal?
13. What two kinds of balance sheet items are listed in the credit money column of the journal?
15. Define opening entry.
16. What is the first step in installing a new bookkeeping system?
17. What is the second step in installing a new bookkeeping system?
18. What is meant by the statement: "The debit and credit elements are shown by their position in the journal"?

References


Carlson, Forkner, etc., Monograph 62, pp. 47-52.

Carlson, Forkner, and Prickett, 20th Century Bookkeeping and Accounting, pp. 9-14.

Sherwood and Boling, College Accounting, pp. 18-19; 24-32.


Subject Matter No. 2

The General Journal

Recording the Beginning Balance Sheet

I Need for a permanent record

II The Journal

A. Purpose

B. Form of

1. Debit amount column
   a. Left-side column
   b. Assets are recorded in the debit column

2. Credit amount column
   a. Right-hand column
   b. Liabilities and proprietorship are recorded in the credit column
III The opening entry

A. Date of entry
   1. Recorded in the two extreme left columns
   2. Date consists of three parts
      a. Year
      b. Month
      c. Day
   3. Frequency of recording date
      a. Year date recorded once for each page
      b. Month date recorded once for each month
      c. Day date recorded for each entry

B. Recording the assets
   1. Record as debits
   2. Enter the name of the asset at the extreme left of description column
   3. Enter the amount of each asset in the debit amount column

C. Recording the liabilities and proprietorship
   1. Record as credits
   2. Enter the name of the liability or proprietorship about one-half inch from the extreme left of the description column
   3. Enter the amount of each liability or proprietorship in the credit amount column

D. Explanation of the entry
   1. Reason for the explanation
   2. Start the explanation an inch from the extreme left of the description column

IV Arrangement of a journal entry
A. Date
   1. Year
   2. Month
   3. Day
B. Name of item debited with the amount in the debit amount column
C. Name of item credited with the amount in the credit amount column
D. Explanation of the transaction

Activities No. 2
The General Journal
Recording the Beginning Balance Sheet

1. Have the pupils collect as many different types of journal forms as they can find.
2. Show a journal that has been completely finished on the opaque projector.
3. Point out the important parts of a journal entry.
4. Have each pupil complete the following exercises:
   Exercise 4, page 14
   Exercise 5, page 14
5. Discuss the finished exercises.

Correlations No. 2
The General Journal
Recording the Beginning Balance Sheet

Arithmetic:
Have the pupils aid the columns of the journal to note the equality of the totals.

Economics:
Study economic trends that are predicted by using bookkeeping as a basis.

Language:
Have the pupils report on the places that they have visited to see bookkeeping systems.
Class discussion.

Reading:
Read the subject matter in the textbook.
Read as many of the suggested readings as you can.

Spelling and Vocabulary:
Learn the meaning of the following terms:
Learn to spell the following terms:

credits
debts
journal
opening entry

Work Sheet No. 2
The General Journal
Recording the Beginning Balance Sheet

Select from the first column the words or words that best complete the statement in the second column and place the letter designation in the space provided in the second column.

A. Date column (month)  
B. Date column (day)  
C. Description column  
D. Post reference column  
E. Debit amount column

1. Year of each entry is written in the
2. Month of each entry is written in the
3. Day of each entry is written in the
4. Name of the account debited is written in the
F. Credit amount column
G. Beginning balance sheet
H. Credits
I. Debits
J. Explanation
K. Journal

5. Amount of the debit is written in the
6. Name of the account credited is written in
7. Amount of the credit is written in the
8. Explanation of the transaction is written in the
9. An opening entry is used to record the
10. Amounts recorded in debit amount columns of the journal are known as
11. Amounts recorded in credit amount columns of the journal is known as
12. A book used to record transactions in the order in which they occur is known as
13. All assets are recorded as
14. All liabilities are recorded as
15. All proprietorship entries are recorded as
16. The part of the entry that explains the transaction is called the
17. The entry that begins a new set of books is called a

In the space provided at the left of each statement indicate whether the statement is true or false.

18. The name of the book of original entry appears on the blue line at the top of the page.
19. A dollar sign is written before each amount in the amount column of the journal.
20. In recording the opening entry the assets are recorded first.

21. You must always be sure to place a decimal point in each amount entered in the debit amount column.

22. The debit side of the journal entry should be larger than the credit side.

23. The credit side of the journal entry should be the same as the debit side.

24. The account titles listed in the opening entry are written in the description column.

25. The bookkeeping equation is assets equal liabilities plus proprietorship.

26. Each debit entry is designated by its position in the description column.

27. The capital account is always a proprietorship account.

Key to Work Sheet No. 2

The General Journal

Recording the Beginning Balance Sheet


Study Guide No. 3

The Ledger

Posting the Opening Entry
1. Examine a piece of ledger paper to find the following items:
   a. Debit amount column.
   b. Credit amount column.
   c. Post reference columns—debit and credit.
   d. Date columns.
   e. Item columns.
2. Are both sides of a ledger sheet ruled exactly the same?
3. Why is the ledger account called the "T" account?
4. What is the name given to a group of accounts?
5. Explain what you mean by debits.
6. Explain what you mean by credits.
7. What is the purpose of the post reference column in the ledger?
8. What is the purpose of the post reference column in the journal?
9. What is an account title?
10. Why are ledger pages numbered?
11. Why is the date of an entry so important?
12. Why do you have an item column in the ledger?
13. What is posting?
14. Give the eight steps in posting.
15. How does the posting a debit item differ from the posting of a credit item?
16. Why is the word "Balance" written in the item column of the ledger account when you post the opening entry?
17. Do assets have a debit or a credit balance?
18. Do liabilities have a debit or a credit balance?
19. Learn the meaning of the following terms:
   a. account
   b. account balance
References


Sherwood and Boling, College Accounting, pp. 32-40.

Subject Matter No. 3

The Ledger

Posting the Opening Entry

I Need for accounts

A. Summary of information concerning each account

B. Exact information obtained quickly
II Form of accounts
A. The "T" account
B. The account title
C. The form is divided into two identical halves
   1. Debit side
   2. Credit side

III Ledger
A. Definition
B. Common types of ledgers
   1. Bound ledgers
   2. Loose-leaf ledgers
   3. Ledger sheets in a tray
   4. Ledger cards in a tray

IV Posting the opening entry
A. Definition of posting
B. Process of posting first debit
   1. Open the journal to the journal entry
   2. Open the ledger to page one
   3. Open the account in the ledger
      a. Write the account title
      b. Center your heading
   4. Transfer the amount in the debit amount column
      a. Do not use a dollar sign
      b. Do not use a decimal point
   5. Date your entry
      a. Year
      b. Month
c. Day

6. Complete the item column
   a. Usually, not used
   b. Only special information needed

7. Post reference in ledger
   a. Purpose
   b. Importance

8. Post reference in journal
   a. Purpose
   b. Importance

C. Process of posting remaining debits
   1. Follow the procedure listed in IV B
   2. Be sure to post reference all entries

D. Process of posting credits
   1. Follow the procedure used for posting debits
   2. Post in the right or credit side of the ledger

V Account balances

A. Assets—debit balances
B. Liabilities—credit balances
C. Proprietorship—credit balances

Activities No. 3

The Ledger

Posting the Opening Entry

1. Have the pupils collect as many types of ledgers as they can find.
2. Show a completed ledger on the opaque projector.
3. Point out the important parts of the ledger.
4. Compare the form of the ledger with the form of the journal.

5. Have the pupils complete the following exercises:
   - Exercise 6, page 24
   - Exercise 7, page 24

6. Discuss the completed exercises.

Correlations No. 3

The Ledger

Posting the Opening Entry

Arithmetic:

Discuss the addition and subtraction of numbers.

Economics:

Discuss the effects of economic problems on bookkeeping.

Language:

Have the pupils report upon the evolution of bookkeeping forms.

Class discussion.

Reading:

Read the subject matter in the textbook.

Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

account
account title
account balance
credit balance
credits
Work Sheet No. 3

The Ledger

Posting the Opening Entry

In the space provided at the left of each statement indicate whether the statement is true or false.

1. The items in the journal entries are sorted into forms known as accounts.

2. A group of accounts is known as posting.

3. The process of transferring entries to the ledger is known as opening an account.

4. Writing the name of the account on the heading line of the ledger page is called opening an account.

5. The heading written at the top of an account is known as the account title.

6. The journal page column in the ledger is known as the column of the account.

7. The ledger page column in the journal is known as the post reference column.

8. The item column of the ledger is used for writing any important information in the account.

In the space provided at the left of each statement write the letter signifying the addition to the statement that will make it read correctly.
9. A group of accounts is known as a (A) ledger, (B) posting, (C) journal.

10. The process of transferring journal entries to the ledger is known as (A) journalizing, (B) proving, (C) posting.

11. Writing the title of an account for the first time in the ledger is known as (A) posting, (B) opening an account, (C) balancing an account.

12. In the proprietor's account the word written after the proprietor's name is (A) owner, (B) proprietorship, (C) capital.

13. The item column of the account is used to record (A) dates, (B) the amount, (C) special information.

14. The date of the entry consists of (A) the year only, (B) the year and month, (C) the year, month, and day.

15. Each account title is written at the top of an account (A) at the left, (B) centered, (C) at the right.

16. The post reference column in the ledger contains (A) journal page numbers, (B) ledger page numbers, (C) date of posting.

17. After the account title is written, the next step in the posting is to write (A) the data, (B) the amount, (C) any special information.

18. In posting an amount of forty dollars, the amount is written (A) $40.00, (B) 40.00, (C) 40-

19. The year of a debit or credit entry is written at the top of the (A) item column, (B) month column, (C) day column.

Key to Work Sheet No. 3

The Ledger

Posting the Opening Entry

4. true 8. true 12. C 16. A

Study Guide No. 4

Business Transactions

The Effect of Transactions on Records

1. How is the equality of the debits and credits determined?
2. Which is the debit side of an account?
3. Which is the credit side of an account?
4. The cash account will always have its balance on which side of the account?
5. The balance of an asset account will always be on which side of the account?
6. The balance of a liability account will always be on which side of the account?
7. The balance of the proprietorship account will always be on which side of the account?
8. If cash is received, which side of the cash account will be affected?
9. If cash is paid, which side of the cash account will be affected?
10. An increase in an asset is recorded on which side of an asset account?
11. A decrease in an asset is recorded on which side of an asset account?
12. Increases in liabilities are recorded on which side of the liability account?
13. Decreases in liabilities are recorded on which side of the liability account?
14. Increases in proprietorship are recorded on which side of the proprietorship account?
15. Decreases in proprietorship are recorded on which side of the proprietorship account?
16. Analyze the following transactions:
   a. Bought equipment for cash.
b. Invested cash in the business.

c. Paid the A Company the amount that you owe them.

d. Bought equipment from the B Company on account.

17. Define the following terms:

a. account
b. account title
c. assets
d. business transactions
e. credit
f. debit
g. journal entry
h. journalizing
i. liabilities
j. proprietorship
k. posting
l. receipt

References


Carlson, Forkner, etc., Monograph 62, April, 1945, pp. 47-52.


Sherwood and Boling, College Accounting, pp. 13-16.

Subject Matter No. 4

Business Transactions

The Effect of Transactions on Records
I Business transactions
   A. Definition
   B. Effect on business
      1. Increases account balances
      2. Decreases account balances

II Examples of business transactions
   A. Increase in assets and increase in proprietorship
      1. Effect on assets
      2. Effect on proprietorship
   B. Recording the transaction in the journal
      1. Debit entry
      2. Credit entry
      3. Explanation
   C. Analyzing the transaction
      1. Asset increased
         a. Asset account debited
         b. Account balance changed
      2. Proprietorship increased
         a. Proprietorship account credited
         b. Account balance changed
      3. Explanation
         a. Brief
         b. Concise
   D. Posting the entry
      1. Post in the ledger
      2. Follow procedures used in posting opening entry
   E. Post referencing the posting
1. Post reference in ledger
2. Post reference in journal

F. Summary of the entry
   1. Any asset account is increased on the debit side
   2. Any proprietorship account is increased on the credit side

III Other examples of transactions

A. Increase in an asset and increase in a liability
   1. Analyze the transaction
   2. Journalize the entry
   3. Post the entry
   4. Post reference the entry
      a. In ledger
      b. In journal
   5. Summary of the entry
      a. Any asset account is increased on the debit side
      b. Any liability account is increased on the credit side

B. Increase in one asset but decrease in another asset
   1. Analyze the transaction
   2. Journalize the entry
   3. Post the entry
   4. Post reference the entry
      a. In ledger
      b. In journal
   5. Summary of the entry
      a. Any asset account is increased on the debit side
      b. Any liability account is decreased on the credit side

C. Decrease in a liability with a decrease in an asset account
1. Analyze the transaction
2. Journalize the entry
3. Post the entry
4. Post reference the entry
   a. In ledger
   b. In journal
5. Summary of the entry
   a. Any liability account is decreased on the debit side
   b. Any asset account is decreased on the credit side

IV Journalizing
A. Definition
B. Formula for journalizing
   1. Debit element
      a. Increased in assets
      b. Decreased in liabilities
      c. Decreased in proprietorship
   2. Credit elements
      a. Decreased in assets
      b. Increased in liabilities
      c. Increased in proprietorship
   3. Debits are equal to credits

Activities No. 4
Business Transactions
The Effect of Transactions on Records

1. Have the pupils visit several businesses to collect a list of business transactions that are typical in that business.
2. Compare the lists of transactions collected to see the similarity and differences in stating the same type of transaction.
3. Write several transactions on the blackboard and have the pupils underscore the key words in each of the transactions.
4. Discuss the importance of comprehension in reading the transaction.
5. Review the students' knowledge of the terminology of bookkeeping.
6. Have the pupils complete the following exercises:
   Exercise 8, page 37
   Exercise 10, page 38
7. Discuss the completed exercises—ask some of the following questions:
   Did you debit all cash received?
   Did you credit all cash paid?
   Do you have a corresponding credit for each debit?
8. Have the pupils compare their journals and ledgers with the illustrations in their textbooks.

Correlations No. 4
Business Transactions
The Effect of Transactions on Records

Arithmetic:
Add the debit money column of the journal and the credit money column of the journal. Compare the totals.

Economics:
Discuss the effect of business transactions on the economics of your community.

Language:
Class discussion.
Reading:

Have the pupils read the lists of transactions they have collected.

Read the subject matter from the textbook.

Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:
Learn to spell the following terms:

- account
- account title
- assets
- business transaction
- credit
- debit
- journal entry
- journalizing
- liabilities
- proprietorship
- posting
- receipt

Work Sheet No. 4

Business Transactions

The Effect of Transactions on Records

In the space provided at the left of each statement indicate whether the statement is true or false.

1. The debit elements of each journal entry equals the credit elements.
2. The left-hand side of each ledger account is the debit side.
3. The right-hand side of each ledger account is the credit side.
4. The cash account balance is a debit balance.
5. The automobile account balance is usually a credit balance.
6. Each creditor's account balance is a debit balance.
7. The office machines account balance is a credit balance.
8. The office furniture account is a debit balance.
9. Each asset account balance is a credit balance.
10. Each liability account balance is a debit balance.
11. The proprietor's capital account balance is a credit balance.
12. Each cash receipt is recorded as a debit to the cash account.
13. Each cash payment is recorded as a credit to the cash account.
14. Each decrease in an asset is recorded as a debit in the appropriate account.
15. Whenever cash is paid to a creditor, the amount paid is a credit to the creditor's account.
16. Each increase in an asset is recorded as a debit in the appropriate account.
17. Each increase in a liability is recorded as a credit in the appropriate account.
18. Each increase in proprietorship is recorded as a debit in the proprietorship account.
19. A credit in an asset account means an increase in that account.
20. A debit in a liability account means an increase in that account.
21. A credit in the proprietor's capital account means an increase in that account.

Cross out the word that makes the statement incorrect. After the word is crossed out, each statement should read correctly.
22. Debit increases decreases in assets.
23. Debit increases decreases in liabilities.
24. Debit increases decreases in proprietorship.
25. Credit increases decreases in assets.
26. Credit increases decreases in liabilities.
27. Credit increases decreases in proprietorship.

Key to Work Sheet No. 4

Business Transactions

The Effect of Transactions on Records

1. true 7. false 13. true 19. false 24. increases
2. true 8. true 14. false 20. false 25. increases
4. true 10. false 16. true Cross out 27. decreases
5. false 11. true 17. true 22. decreases
6. false 12. true 18. false 23. increases

Study Guide No. 5

Recording Sales and Expense

Business Transactions that Affect Proprietorship

1. How does a sale affect proprietorship?
2. How does an expense affect proprietorship?
3. What is the reason for recording sales and expenses?
4. Why is every sale credited to the sales account?
5. Why is every expense classified and recorded as a debit to a certain expense account?
6. Give an example of a transaction that would result in a debit to each of
the following expense accounts:

a. Supplies expense
b. Power expense
c. Delivery expense
d. Rent expense
e. Miscellaneous expense

7. Give an example of a transaction that would result in a credit to the sales account.

8. Explain how you would prove the equality of the debits and credits in the journal.

9. How would you correct an error that you made in journalizing an amount?

10. How would you correct an error that you made in journalizing an account title or a date?

11. Is it a better procedure to post all debits from the journal before posting the credits, or is it a better procedure to post each complete entry before proceeding to the next entry?

12. Would you debit or credit the following items:
   a. An increase in the assets.
   b. An increase in the liabilities.
   c. An increase in proprietorship.
   d. A decrease in the assets.
   e. A decrease in the liabilities.
   f. A decrease in proprietorship.

13. What are the five main divisions of the ledger?

14. How are all accounts classified?

15. How would you classify the following accounts:
   a. Cash
b. Postage expense

c. Office furniture

d. Office machines

e. Miscellaneous expense

f. A creditor

g. The capital account

16. Define the following terms:

a. asset

b. cash

c. chart of accounts

d. expense

e. footing

f. forwarding

g. in balance

h. out of balance

i. liability

j. proprietorship

k. sales

l. income

References


Subject Matter No. 5

Recording Sales and Expenses

Business Transactions that Affect Proprietorship

I Effect of sales and expenses on proprietorship
   A. Sales increase proprietorship
   B. Expenses decrease proprietorship
   C. Reason for recording

II Sales account
   A. Definition of a sale
   B. Account title
   C. Effect on proprietorship

III Expense account
   A. Definition of expense
   B. Classification of expense
   C. Effect on proprietorship

IV Recording sales and expense transactions
   A. Increase in an asset and increase in proprietorship
      1. Cash sale
         a. Increase asset cash on debit side
         b. Increase proprietorship (sales) on credit side
         c. Explanation
      2. Sale on account
         a. Definition of a charge customer
b. Increase asset charge customer on debit side

c. Increase proprietorship (sales) on credit side

d. Explanation

3. Analyzing the entry
   a. Increases in assets are debited
   b. Increases in proprietorship are credited

4. Journalizing the entry

5. Posting the entry

6. Summary of the entry
   a. Each cash sale will increase the asset account cash
   b. Each charge sale will increase the asset accounts receivable
   c. Each sale will increase proprietorship

B. Decrease in proprietorship and decrease in an asset

1. Definition of expense

2. Payment for an expense with cash

   a. Analyzing the entry
      (1) Decreases in proprietorship are debited
      (2) Decreases in assets are credited

   b. Journalizing the entry

   c. Posting the entry

   d. Summarizing the entry
      (1) Each expense decreases proprietorship
      (2) All decreases to proprietorship are debited
      (3) All decreases to assets are credited

V Proving the journal with pencil footings

A. Definition of footing

B. Method of footing the journal
1. Add each column
2. Put total of each column in pencil figures

C. Correcting entries
1. Amounts
2. Account titles
3. Erasures

VI Double entry bookkeeping
A. Definition
B. Purpose
C. Function

VII Order of arrangement of accounts in the ledger
A. Purpose
B. Divisions
1. Assets
2. Liabilities
3. Proprietorship
4. Income
5. Expense
C. Chart of accounts

Activities No. 5
Recording Sales and Expenses

Business Transactions that Affect Proprietorship

1. Have the pupils collect sales slips from all the stores in the community.
2. Compare the sales slips to see the similarity in them.
3. Have each pupil visit one merchant to get a list of the expenses typical in his business.
4. Discuss expense as to its effect on proprietorship.

5. Have several sales slips shown on the opaque projector and point out the importance of dates, legible writing, and correct figures.

6. Have the pupils complete the following exercises:
   - Exercise 11, page 55
   - Exercise 12, page 56

7. Discuss the completed exercises.

8. Have the pupils correct any errors that are found in the exercises.

Correlations No. 5

Recording Sales and Expenses

Business Transactions that Affect Proprietorship

Arithmetic:
   - Add the debit amount column of the journal and the credit amount column of the journal. Compare the totals.

Economics:
   - Discuss the importance of keeping expenses in proportion to the income.
   - Discuss reducing prices to increase sales.

Language:
   - Class discussion.

Reading:
   - Read the subject matter from the textbook.
   - Read as many of the suggested readings as you can.

Spelling and Vocabulary:
   - Learn the meaning of the following terms:
   - Learn to spell the following terms:
     - chart of accounts
     - combined entry
double-entry bookkeeping
expense
footing
income

Work Sheet No. 5
Recording Sales and Expense

Business Transactions that Affect Proprietorship

In the space provided at the left of each statement indicate whether the statement is true or false.

1. All cash sales are recorded in the cash account as debits.
2. All increases in assets are recorded in the appropriate asset accounts as credits.
3. All increases in liabilities are recorded in the appropriate liability accounts as debits.
4. All increases in proprietorship that result from additional investments by the proprietor are recorded in the proprietor's capital account as credits.
5. All sales are recorded in the sales account as debits.
6. All expenses are recorded in the appropriate expense accounts as credits.
7. All decreases in assets are recorded in the appropriate asset accounts as debits.
8. All decreases in liabilities are recorded in the appropriate liability account as debits.
9. All decreases in proprietorship that result from withdrawals of investment by the proprietor are recorded in the proprietor's account as credits.
10. All cash receipts are debited.

11. All cash payments are credited.

Classify each account listed at the right, using the classifications listed at the left. Place the letter that represents the classification in the space provided.

(A) Asset

(B) Liability

(C) Proprietorship

(D) Income

(E) Expense

12. Cash

13. Automobile

14. Automobile Expense

15. Office Equipment

16. Advertising Expense

17. Office Furniture

18. Miscellaneous Expense

19. Entertainment

20. Sales

21. A. G. Smith (a debtor)

For each of the transactions given below, indicate the accounts affected by writing the proper account title for each account in the space provided.

22-23. Paid cash to Atlas Furniture Company to apply on account owed that company.

22. Debit _____ 23. Credit _____

24-25. Sale on account to a customer.

24. Debit _____ 25. Credit _____

26-27. Total cash sales for the day.

26. Debit _____ 27. Credit _____

28-29. Bought postage stamps to be used in the business.

28. Debit _____ 29. Credit _____

Key to Work Sheet No. 5
Recording Sales and Expense

Business Transactions that Affect Proprietorship

1. true 9. false 17. A 25. Sales
3. false 11. true 19. E 27. Sales
5. false 13. A 21. A
7. false 15. A 23. Cash

Study Guide No. 6

The Trial Balance

Proving the Accuracy of Records

1. How is cash proved?
2. Where is the pencil footing of each side of an account written?
3. Why should the pencil footings of an account be written very small?
4. Where is the difference between the pencil footings of the two sides of an account written?
5. Explain the purpose of the trial balance.
6. Name the three parts of the heading of the trial balance.
7. There are six steps that should be followed in preparing a trial balance, name them in order.
8. Explain how customers' accounts are ruled.
9. Explain how creditors' accounts are ruled.
10. What kind of proof is provided by the trial balance?
11. When is a trial balance in balance?
12. When is a trial balance out of balance?

13. If a trial balance is out of balance, which accounts may be considered as correct without verification?

14. Explain the six steps in finding errors indicated by a trial balance that is out of balance.

15. If you find an error in the trial balance, explain how you will correct it.

16. Define the following terms:
   a. account balance
   b. in balance
   c. out of balance
   d. proving cash
   e. trial balance

References


Sherwood, and Boling, College Accounting, pp. 22-42.


Subject Matter No. 6

The Trial Balance

Proving the Accuracy of Records

1. The account balance
A. Proving cash
   1. Relation of cash on hand to the ledger
   2. Finding the account balance of the cash account

B. Footing accounts
   1. Accounts with entries on both sides
   2. Accounts with entries on one side
   3. Accounts with only one entry

C. Use of the account balances

II The trial balance
A. Definition
B. How to prepare
   1. Heading
      a. Name of the business
      b. Name of the report
      c. Date of the report
   2. Body of the report
      a. Account titles
      b. Account balances
         (1) Debit balances
         (2) Credit balances
      c. Method of indicating addition
      d. Totals
         (1) Debit totals
         (2) Credit totals
      e. Indication of the completed report

C. Use of
   1. Kind of proof provided
a. In balance

(1) Debit and credit totals are equal
(2) Equality of debit and credit entries
(3) Is not proof that all entries are correctly made
   (a) Amounts debited to wrong account
   (b) Amounts credited to wrong account
   (c) Entries omitted

b. Out of balance

(1) Debit and credit totals are not equal
(2) Indicated errors
   (a) Journalizing
   (b) Posting
   (c) Addition or subtraction in the accounts
   (d) Listing of accounts in the trial balance
   (e) Addition in the trial balance columns

2. Finding errors indicated by the trial balance

   a. Read each column
   b. Determine the difference between the debits and credits
   c. Recheck the account balances with the ledger
   d. Verify each account balance in the ledger
   e. Verify the posting

3. Correcting errors as indicated by the trial balance

   a. Journal
      (1) Account titles
      (2) Amounts
   b. Ledger
      (1) Wrong side of account
(2) Wrong account
(3) Wrong amount
(4) Item omitted
(5) Item posted twice
(6) Errors in pencil footings

c. Trial balance
   (1) Account titles
   (2) Amounts
   (3) Totals

Activities No. 6

The Trial Balance
Proving the Accuracy of Records

1. Have the pupils make a survey of the business houses in the community to check the number of places that do not make a trial balance.

2. Have each pupil prepare a trial balance from a ledger that you have not checked for accuracy.

3. Check the trial balances prepared to see how many have been found to be in balance.

4. Discuss the reasons why the trial balances that were found to be out of balance are not in balance.

5. Review the pupils' knowledge of the terminology of bookkeeping.

6. Have the pupils complete the following exercises:
   
   Exercise 13, page 66
   Exercise 14, page 66

7. Discuss the completed exercises.

Correlations No. 6
The Trial Balance
Proving the Accuracy of Records

Arithmetic:

Add the debit and credit columns of the trial balance.

Compare the totals.

Subtract any differences that may occur between the columns.

Divide the differences that may occur between the columns by two.

Divide the differences that may occur between the columns by nine.

Multiply the differences that may occur between the columns by two.

Economics:

Discuss the relationship between accuracy of records and economics.

Language:

Class discussion.

Reading:

Read the subject matter from the textbook.

Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

account balance
in balance
out of balance
proving cash
trial balance

Work Sheet No. 6

The Trial Balance
Proving the Accuracy of Records

In each of the following sentences underline the phrase that best completes the sentence.

1. Each account title in the ledger is written as a heading (on the blue line.) (under the blue line.)

2. Cash is proved by comparing the balance of the cash account with the (cash on hand ascertained by actual count.) (balance of the cash account as shown in the trial balance.)

3. The pencil footing of the debit side of an account is written (immediately under the last debit item.) (on the next line below the last debit item.)

4. The test of the equality of the debits and the credits in the ledger is known as a (balance sheet.) (trial balance.)

5. When a trial balance is in balance the total of all the debit balances in the ledger should be (equal to the total of all the credit balances in the ledger.) (larger than all the credit balances in the ledger.)

6. The single ruling at the bottom of the trial balance extends across (both money columns only.) (all columns except the account title column.)

7. The double ruling at the bottom of the trial balance extends across (both money columns only.) (all columns except the account title column.)

8. The completion of a trial balance in balance is indicated by ruling under both totals a (single line.) (double line.)

9. Each account title in the ledger is written on the blue heading line (in the center.) (at the right.)

10. The year of the debit entries in an account is written at the top of the (month column.) (day column.)

11. If each debit entry in an account occurred in August, the abbreviation "Aug." is written on (each line) (the first line only) of the debit side.
In the space provided at the left of each statement indicate whether the statement is true or false.

12. Ascertaining that the cash on hand agrees with the balance of the cash account is known as proving cash.

13. As soon as the two sides of the customer's account are equal, the account is ruled with a single line across the money columns only.

14. The balance of an account is the total of the debit side.

15. The total of all the debit items in the ledger is the same as the total of all the credit items in the ledger.

16. A list of account titles in the ledger with their balances arranged in a debit column and a credit column and each column footed is known as a trial balance.

17. A test of equality of the debits and credits in the ledger is called an account balance.

18. The footing of each side of an account in very small figures is referred to as a pencil footing.

19. The difference between the two sides of an account is known as the account balance.

20. If the two totals of a trial balance are equal, the trial balance is said to be out of balance.

21. If the two totals of a trial balance are not equal, the trial balance is said to be out of balance.

22. The pencil footing of the credit side of an account is written larger than each credit amount.

Key to Worksheet No. 6

The Trial Balance

Proving the Accuracy of Records
Study Guide No. 7
The Work Sheet
Interpreting the Records

1. Into what five groups of accounts may any trial balance be divided?
2. What is the purpose of the work sheet?
3. What are the parts of the heading of the work sheet?
4. Which section of the work sheet is used in assembling the balance sheet items?
5. Which section of the work sheet is used in assembling the profit and loss items?
6. Explain the two methods by which the profit or loss may be found on the work sheet.
7. In which two columns of the work sheet is the net profit shown?
8. In which two columns of the work sheet is the net loss shown?
9. What is indicated when horizontal single lines are drawn under the columns of the work sheet?
10. What is indicated when horizontal double lines are drawn under the columns of the work sheet?

11. Name the parts of the heading of the work sheet.

12. Name the parts of the heading of the profit and loss statement.

13. Name the parts of the heading of the balance sheet.

14. Why does the amount of net profit or net loss appear both on the profit and loss statement and on the balance sheet?

15. Define the following terms:
   a. account form of balance sheet
   b. accounting period
   c. analysis paper
   d. balance sheet
   e. fiscal period
   f. net loss
   g. net profit
   h. profit and loss statement
   i. report form of the balance sheet
   j. work sheet

References

Carlson, Forkner, etc., Monograph 62, April, 1945, pp. 53-55.

Carlson, Forkner, and Prickett, 20th Century Bookkeeping and Accounting, pp. 69-80.


Subject Matter No. 7

The Work Sheet

Interpreting the Records

I  Need for interpreting records
   A. To find the condition of the business
   B. As a basis for future planning

II  The work sheet
   A. Definition
   B. Use of the work sheet
   C. Preparation of the work sheet
      1. Heading
         a. Name of the business
         b. Name of the report
         c. Fiscal period for which the report is made
      2. Trial balance
         a. Account titles
         b. Account balances
      3. Extend the balance sheet items
         a. Assets
         b. Liabilities
         c. Proprietorship
      4. Extend the profit and loss items
         a. Income
b. Expense

5. Find the net profit or net loss
a. Profit and loss columns
   (1) Net profit
      (a) Subtract expenses from income
      (b) Enter amount on the debit side
   (2) Net loss
      (a) Subtract income from expenses
      (b) Enter amount on the credit side

b. Balance sheet columns
   (1) Net profit
      (a) Subtract liabilities and proprietorship from assets
      (b) Enter amount on the credit side
   (2) Net loss
      (a) Subtract assets from the liabilities and proprietorship
      (b) Enter the amount on the debit side

6. Balance the columns of the work sheet

III Reports completed from information found on the work sheet

A. Profit and loss statement
   1. Definition
   2. Purpose
   3. Preparation
      a. Heading
         (1) Name of the business
         (2) Name of the report
         (3) Length of the accounting period
b. Income section
   (1) Source of information
       (a) Income section of the profit and loss section of
           the work sheet
       (b) Credit column of the profit and loss statement
   (2) Placement of the information on the report

c. Expense section
   (1) Source of information
       (a) Expense section of the profit and loss section of
           the work sheet
       (b) Debit column of the profit and loss statement
   (2) Placement of the information on the report

d. Net profit or net loss
   (1) Method of calculating
   (2) Use of this information
   (3) Placement of the information on the report

e. Ruling the report

B. Balance sheet
   1. Definition
   2. Purpose
   3. Forms
      a. Account form
      b. Report form
   4. Preparation
      a. Heading
         (1) Name of the business
         (2) Name of the report
(3) Date on which the report is made
b. Division of the report
   (1) Asset section
      (a) Composition
      (b) Source of information
   (2) Liability section
      (a) Composition
      (b) Source of information
   (3) Proprietorship section
      (a) Composition
      (b) Source of information
c. Ruling of the report

Activities No. 7
The Work Sheet
Interpreting the Records

1. Write the words assets, liabilities, proprietorship, income, and expense on the blackboard. Have the pupils furnish you with the names of as many account titles that could be written under each classification as they can.

2. Have the pupils turn to the illustration on page seventy-one of their textbooks, cover the profit and loss statement and the balance sheet, and classify each account on the work sheet.

3. Have the pupils prepare a work sheet from the information given on page sixty-nine of their textbooks.

4. From the work sheet prepared for activity three have each pupil prepare a profit and loss statement as illustrated on page seventy-four of his.
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textbook.

5. From the work sheet prepared for activity three have each pupil prepare a
balance sheet as illustrated on page seventy-six of his textbook.

6. Have the pupils complete the following exercise:
   Exercise 15, page 80.

7. Discuss the completed exercise.

Correlations No. 7
The Work Sheet
Interpreting the Records

Arithmetic:
Teach the pupils how to add a column of numbers so that you can check the
results without adding the entire column.
Discuss the transferring of numbers from one column to another.
Add the columns of the work sheet.

Economics:
Have the pupils write a report on one of the following subjects:
"The Relationship Between the Profit and Loss Statement and Good
Business Practices."
"The Balance Sheet as the Measuring Stick of Business."
"The Relationship of Income to the Profit and Loss Statement."
"What You Can Do to Reduce Expenses."

Language:
Class discussion.
Pupil reports.

Reading:
Read the subject matter from your textbook.
The pupils will be required to read some outside references in order to make their reports.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

accounting period
analysis paper
balance sheet
fiscal period
net loss
net profit
profit and loss statement
work sheet

Worksheet No. 7

The Work Sheet

Interpreting the Records

In the space provided at the left of each statement indicate whether the statement is true or false.

1. The cash account will normally have a debit balance.
2. The customers' accounts will normally have a debit balance.
3. A machinery owned account will normally have a credit balance.
4. A proprietorship account will normally have a credit balance.
5. An income account will normally have a debit balance.
6. An expense account will normally have a credit balance.

In the first space provided at the right of the account titles indicate whether each account would be entered in the balance sheet or in the profit and loss
In the second space provided, indicate whether each account would have a debit or a credit balance.

7-8. Cash
9-10. A. B. Smith, customer
11-12. Machinery
13-14. Delivery Equipment
17-18. Sales
19-20. Labor Expense
21-22. Supplies Expense
23-24. Delivery Expense
25-26. Miscellaneous Expense

In each of the following sentences underline the phrase that best completes the sentence.

27. A financial report that presents a detailed picture of the financial condition of a business on a specific date is called a (balance sheet.) (profit and loss statement.) (trial balance.)

28. Analysis paper that provides for the sorting and the interpreting of the trial balance on a single sheet of paper is called a (profit and loss statement.) (balance sheet.) (work sheet.)

29. The period of time covered by the profit and loss statement is known as the (working period.) (fiscal period.) (reporting period.)

30. The profit and loss summary columns of the work sheet will show a profit provided that the (debit total is larger than the credit total.) (credit total is larger than the debit total.) (debit total is equal to the credit total.)

Key to Work Sheet No. 7
The Work Sheet

Interpreting the Records

1. true 16. credit
2. true 17. profit and loss statement
3. false 18. credit
4. true 19. profit and loss statement
5. false 20. debit
6. false 21. profit and loss statement
7. balance sheet 22. debit
8. debit 23. profit and loss statement
9. balance sheet 24. debit
10. debit 25. profit and loss statement
11. balance sheet 26. debit
12. debit 27. balance sheet
13. balance sheet 28. work sheet
14. debit 29. fiscal period
15. balance sheet 30. credit total is larger than debit total

Study Guide No. 8

Closing the Ledger

Bringing Together the Profit and Loss Accounts

1. Why is it desirable to close the income and the expense accounts in the ledger at the end of each fiscal period?
2. Why is it desirable to use journal entries to transfer account balances in the ledger?
3. What two columns of the work sheet are used as the basis for the closing entries in the journal?
4. In what order are the closing entries in the journal prepared?

5. Why is the profit and loss summary account closed into the proprietor's drawing account?

6. Explain the three steps usually taken in balancing and ruling an asset, a liability, or a proprietorship account.

7. What is the purpose of the post-closing trial balance?

8. Define the following terms:
   a. balancing an account
   b. closed account
   c. closing entry
   d. closing the ledger
   e. combined entry
   f. post-closing trial balance
   g. profit and loss summary account

9. Which accounts in the ledger are closed into the debit side of the profit and loss summary account?

10. Which accounts in the ledger are closed into the credit side of the profit and loss summary account?

11. Explain why the post-closing trial balance contains the same balances as the balance sheet.

12. Explain how you would prove that the journal was in balance.

13. Explain how you would prove that the posting was correct.

14. How do you know when the ledger is completely closed?

References


Carlson, Finken, etc., Monograph 62, April, 1945, pp. 56-57.
Subject Matter No. 8

Closing the Ledger

Bringing Together the Profit and Loss Accounts

I. Need for closing the ledger

A. Definition

B. Purpose

C. Method of closing

1. Introduction of profit and loss summary account
   a. Definition
   b. Purpose

2. Closing the income accounts
   a. The work sheet as a source of information
   b. The journal entry required
   c. Posting the closing entry
   d. Ruling

3. Closing the expense accounts
   a. The work sheet as a source of information
   b. The journal entry required
   c. Posting the closing entry
   d. Ruling

4. Introduction of the proprietorship's drawing account
a. Definition

b. Purpose
   (1) Closing the profit and loss summary account
   (2) Recording the profit or loss

c. The journal entry required
d. Posting the entry

II The ledger after it is closed

A. The proprietorship account
   1. Proprietor's capital
   2. Proprietor's drawing account

B. Balancing of asset, liability, and proprietorship accounts
   1. Advantages of balancing
   2. Disadvantages of balancing

C. The post-closing trial balance
   1. Definition
   2. Purpose
      a. A test of accuracy
      b. Equality of debit and credit balances
   3. Preparation
      a. Heading
         (1) Name of the business
         (2) Name of the report
         (3) Date of the report
      b. Body of the report
         (1) Account titles with debit or credit balances
         (2) Post references

Activities No. 6
Closing the Ledger

Bringing Together the Profit and Loss Accounts

1. Review the classification of accounts.
2. Discuss the reasons for closing certain accounts.
3. Have the pupils talk to several business men so that they may find out how often the closing entries are actually made in practice.
4. Review the pupils' knowledge of the terminology of bookkeeping.
5. Have the pupils study the illustrations in the textbook, especially the ledger after it is closed.
6. Have the pupils complete the following exercise:
   Exercise 17, page 94
7. Discuss the completed exercise.

Correlations No. 8

Closing the Ledger

Bringing Together the Profit and Loss Accounts

 Arithmetic:
   Addition of numbers by columns.
   Teach the relationship of numbers to each other.

 Economics:
   Discuss the necessity of a business' knowing its financial condition.
   Discuss the effect of the closed ledger on economic stability.

 Language:
   Class discussion.

 Reading:
   Read the subject matter in your textbook.
   Read as many suggested readings as you can.
Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

- balancing an account
- closed account
- closing entry
- closing the ledger
- post-closing trial balance
- profit and loss summary account

Work Sheet No. 8

Closing the Ledger

Bringing Together the Profit and Loss Accounts

In the space provided at the left of each statement indicate whether the statement is true or false.

1. A sheet of paper with several money columns used in interpreting the trial balance is known as the work sheet.

2. The entries in the journal that transfer the balance of one account to another account are called adjusting entries.

3. The entire process of summarizing the income and the expense accounts and transferring the net profit or the net loss to the proprietor's drawing account is known as closing entries.

4. If the income exceeds the expense, the difference is the net loss.

5. If the expense exceeds the income, the difference is the net loss.

6. Expense accounts are transferred to the profit and loss summary account on the debit side.

7. An entry containing two or more debits and one or more credits is called a combined entry.
8. If the debit side of the account equals the credit side of the account, the account is said to be in balance.

9. The balance of the sales account is always debit.

10. The balance of an expense account is always debit.

11. An income account with an account balance of zero is called a closed account.

12. The trial balance taken after the books are closed is called a post-closing trial balance.

13. A net profit or net loss is transferred from the profit and loss summary account to the proprietor's capital account.

In each of the following sentences underline the phrase that best completes the sentence.

14. The cash on hand at the end of the fiscal period is called the (cash balance.) (cash payments.) (cash receipts.)

15. The profit and loss summary account is placed in the (asset) (liabilities) (proprietorship) (income) (expense) section of the ledger.

16. The balance of the sales account is always carried to the (debit) (credit) side of the profit and loss summary account.

17. The balance of the expense accounts is always carried to the (debit) (credit) side of the profit and loss summary account.

18. When all the closing entries have been posted, the sales account will have a (debit) (credit) (neither debit nor credit) balance.

19. You (debit) (credit) advertising expense to close it.

20. To show the total amount of income, the profit and loss summary account is (debited) (credited).

21. To show the total amount of expense, the profit and loss summary account is (debited) (credited).
22. A loss is always (debited) (credited) to the proprietor's drawing account.

Key to Work Sheet No. 8

Closing the Ledger

Bringing Together the Profit and Loss Accounts

1. true  7. true  13. false  19. credited
2. false 8. true  14. cash balance  20. credited
3. false 9. false  15. proprietorship  21. debited
4. false 10. true  16. credit  22. debited
5. true  11. true  17. debit
6. true  12. true  18. neither debit nor credit

Culminating Activities

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

1. Make a display of all the blank forms that have been used in this unit.
2. Make a display of the projects that the class has completed.
3. Take the class on a field trip to a small business in your community; take notes on the similarities and the differences that are noted from the way the bookkeeping is taught in the classroom; and discuss each one in the following way:
   a. Is there a difference?
   b. Is there a similarity?
   c. Is the difference or similarity really there or is it a lack of the complete knowledge of bookkeeping?

Desirable Outcomes

The Bookkeeping Cycle in its Simplest Form
A. Knowledge and Understanding of:
   1. The value of bookkeeping records
   2. The starting point of any bookkeeping record
   3. Personal bookkeeping
   4. The balance sheet
      a. Definition
      b. Form
      c. Analyzing the balance sheet
      d. The bookkeeping equation
   5. How to start a bookkeeping record
   6. The journal
      a. Definition
      b. Purpose
      c. Form
   7. The opening entry
      a. Date
      b. Recording the assets
      c. Recording the liabilities and proprietorship
      d. Explanation of the entry
   8. The arrangement of any journal entry
      a. Date
      b. Debit items
      c. Credit items
      d. Explanations
   9. The ledger
      a. Need for ledger accounts
b. Form of the accounts
c. Definition of accounts

10. Posting
   a. Definition
   b. Process of posting
      (1) Debit postings
      (2) Credit postings
   c. Order and arrangement of accounts
      (1) Purpose
      (2) Divisions of the ledger

11. Account balances

12. The effect of business transactions on records
   a. Definition of a business transaction
   b. Examples of business transactions
   c. Journalizing the business transactions

13. The effect of sales and expenses on proprietorship
   a. Definition of a sale
   b. Definition of an expense
   c. Classification of expenses
   d. Recording sales and expense transactions

14. Proving the journal with pencil footings
   a. Definition of footing
   b. Method of footing
   c. Correcting entries

15. The trial balance
   a. Definition
   b. How to prepare the trial balance
c. Purpose

d. Finding errors indicated

e. Correcting errors as indicated

16. Interpreting the records

a. Need for interpreting the records

b. Use of the work sheet

(1) Definition of the work sheet

(2) Purpose of the work sheet

(3) How to prepare the work sheet

17. The profit and loss statement

a. Definition

b. Purpose

c. Preparation

18. The balance sheet

a. Definition

b. Purpose

c. Preparation

19. Closing the ledger

a. Need for closing

b. Definition

c. Purpose

d. Method used

(1) Accounts to be closed

(2) Journal entries required

(3) Posting closing entries

20. The ledger after it is closed

21. The post-closing trial balance
a. Definition
b. Purpose
c. Preparation

B. Attitudes toward:

1. The value of bookkeeping records
2. Making a beginning balance sheet
3. The purpose of analyzing each balance sheet
4. The books of original entry
5. The opening entry and its relation to the whole bookkeeping cycle
6. The use of the journal
7. The use of the ledger
8. Pencil footing of accounts
9. Balancing each account
10. The bookkeeping equation
11. The equality of accounts
12. The effect of business transactions on the records
13. Business transactions that affect proprietorship
14. Arrangement of the ledger
15. The proof of accuracy
16. Method of correcting errors
17. The work sheet as a time saver
18. The final reports prepared
19. Closing the ledger

C. Habits of:

1. Making a beginning balance sheet
2. Analyzing each beginning balance sheet
3. Making entries in the books of original entry
4. Dating each entry
5. Following the correct journalizing procedure
6. Explaining each entry
7. Following the correct posting procedure
8. Post referencing each entry
9. Adding numbers on the same side of the account
10. Subtracting numbers on the opposite sides of an account
11. Debiting all increases to assets
12. Crediting all decreases to assets
13. Debiting all decreases to liabilities and proprietorship
14. Crediting all increases to liabilities and proprietorship
15. Learning the terminology of bookkeeping
16. Making a trial balance
17. Correcting errors in the proper way
18. Using a work sheet to interpret records
19. Making a profit and loss statement
20. Making a balance sheet
21. Making a post-closing trial balance
22. Closing your ledger

D. Appreciation for:
1. Legal aspects of bookkeeping
2. Opening a set of books
3. The books of original entry
4. The books of final entry
5. The work sheet as an aid in bookkeeping
6. The bookkeeping equation
7. The effect of transactions on the records
8. The proof of accuracy
9. Methods of correcting errors
10. The profit and loss statement
11. The balance sheet
12. The post-closing trial balance
13. The closed ledger

Leads to Other Units

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

The pupil should have gained much information in the study of this unit that should help him in his study of the following units:

Unit II Time-Saving and Labor-Saving Procedures
Unit III Small Business Bookkeeping
Unit IV Adapting Bookkeeping Methods to the Needs of the Business
Unit V Useful Applications of Principles Studied

Teacher Evaluation

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

To what extent does the unit:

1. Involve a variety of direct sensory experiences?

2. Provide for free informal association of pupils?

3. Provide an opportunity for manipulative or bodily activity?

Ex. V.G. G. F. P. None

[Check marks in boxes]
4. Make a coherent whole?
5. Provide a considerable amount of pupil activity?
6. Produce satisfying outcomes?
7. Provide sufficient concrete and illustrative materials?
8. Have a useful purpose in the present and future life of the pupils?
9. Reproduce actual life situations as far as possible?
10. Utilize materials as they occur in life?
11. Contain some accurate material?
12. Provide opportunity for pupils to originate, plan, and direct activity as far as possible?
13. Provide opportunity to judge, choose, and evaluate?
14. End or lie within the available time?
15. Make it possible for a new teacher to put it into practice if she desires?
16. State clearly where materials may be obtained?
17. Give complete, exact references?

Pupil Test
Knowledge and Understanding Test
The Bookkeeping Cycle in its Simplest Form
In the space provided at the left of each statement indicate whether the statement is true or false.

1. The amount of cash on hand is recorded in the cash account as a debit.  
2. The amount to be collected from a customer is recorded in the customer's account as a debit.  
3. The amount of machinery on hand is recorded in the machinery account as a debit.  
4. The amount of delivery equipment on hand is recorded in the delivery equipment account as a credit.  
5. The amount owed to a creditor is recorded in the creditor's account as a credit.  
6. The amount of the proprietor's ownership in the business is recorded in the proprietor's capital account as a credit.  
7. The balance of an asset account is always a debit.  
8. The balance of a liability account is always a debit.  
9. The balance of the proprietor's account is always a debit.  
10. The balance of a creditor's account is a credit when it shows the amount you owe.  
11. The left-hand side of an account is used to record all debits.  
12. The right-hand side of an account is used to record all debits.  
13. All increases in assets are credited.  
14. All decreases in assets are debited.  
15. All increases in liabilities are credited.  
16. All decreases in liabilities are debited.  
17. All increases in proprietorship are debited.  
18. All decreases in proprietorship are credited.
19. All cash receipts are recorded in the cash account as debits.

20. All cash payments are recorded in the cash account as credits.

In the space provided write the account title of the account that you would debit and the account title of the account you would credit for each of the following transactions. The names of the account titles, as listed in the ledger, are given below:

- Cash
- A. B. Smith, customer
- Delivery Equipment
- Machinery
- Office Equipment
- Mac's Machinery Company
- Bell's Motor Company
- Shield's Service Station
- Darriel Jones, Capital

21-22. Mr. Jones invested $5,000 in the business.

21. Debit _____  22. Credit _____


23. Debit _____  24. Credit _____


25. Debit _____  26. Credit _____

27-28. Received $25.50 from Mr. A. B. Smith in partial payment of the amount he owes us.

27. Debit _____  28. Credit _____

29-30. Paid the Mac's Machinery Company for the machinery that we bought on account.

29. Debit _____  30. Credit _____

31-32. Paid $45 for a used office desk to the Bell's Motor Company.

31. Debit _____  32. Credit _____

In the space provided at the left of each statement answer the statement either yes or no.
33. Is each account payable usually listed on the balance sheet separately?
34. Is the process of transferring entries from a journal to a ledger called journalizing?
35. Is an increase in an expense recorded as a credit?
36. Is the period covered by the profit and loss statement known as the fiscal period?
37. If A's liabilities are $4,000 and his proprietorship is $9,000, are his assets $13,000?
38. Is a debtor one to whom a debt is owed?
39. Is the difference between what is owned and what is owed called net worth?
40. Is a decrease in a liability recorded as a credit?
41. If the debit side of the profit and loss summary account is the larger at the time it is ready to be closed, is the balance a net loss?
42. Is an increase in an asset recorded as a debit?
43. Does the profit and loss statement list the balances of all the expense accounts?
44. When all the closing entries have been posted, does the sales account show a credit balance?
45. Is a decrease in proprietorship recorded as a credit?
46. Is a decrease in income recorded as a credit?
47. If the total income is larger than the total expense, is the difference net profit?
48. Is the trial balance taken after the closing entries have been posted called a post-closing trial balance?
49. Does the balance sheet report the financial condition of the business for a certain period?
50. Is the difference between the footings of the two sides of an account called the balance?

51. Is the trial balance a test of the equality of the debits and credits in the ledger?

52. Is an account that is closed by transferring its balance to the credit side of the profit and loss summary account an expense account?

53. Is the debit side of an account the left side?

Complete each of the following statements by selecting one of the terms given at the beginning of this series of statements and place the letter designating the correct answer in the space provided.

A. an asset  F. the account balance  K. proprietorship
B. checks    G. an account title    L. a business transaction
C. credit    H. a journal entry    M. double-entry bookkeeping
D. No.       I. journalizing       N. a debit
E. an account J. posting

54. The amount obtained by subtracting the smaller total of an account from the larger total of the same account is known as ______.

55. Any act of a business that involves buying or selling or other exchanges in value is called ______.

56. The bookkeeping device used as a means of summarizing the increases or decreases in any asset, any liability, or the proprietorship is known as ______.

57. A record in the journal of a business transaction is known as a ______.

58. An entry on the left-hand side of an account is called ______.

59. An entry on the right-hand side of an account is called ______.

60. The process of recording a transaction in a journal is called ______.
The following account balances have been found in the ledger. Make a trial balance of the ledger on the form reproduced below:

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>4,621</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>2,395</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>695</td>
<td></td>
</tr>
<tr>
<td>C. D. York, Capital</td>
<td>5,377</td>
<td></td>
</tr>
<tr>
<td>C. D. York, Drawing, Dr.</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,561</td>
<td></td>
</tr>
<tr>
<td>Salary Expense</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Delivery Expense</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Rent Expense</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Expense</td>
<td>37</td>
<td></td>
</tr>
</tbody>
</table>

Key to Knowledge and Understanding Test

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

1. true
51. yes
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>true</td>
</tr>
<tr>
<td>3.</td>
<td>true</td>
</tr>
<tr>
<td>4.</td>
<td>false</td>
</tr>
<tr>
<td>5.</td>
<td>true</td>
</tr>
<tr>
<td>6.</td>
<td>true</td>
</tr>
<tr>
<td>7.</td>
<td>true</td>
</tr>
<tr>
<td>8.</td>
<td>false</td>
</tr>
<tr>
<td>9.</td>
<td>false</td>
</tr>
<tr>
<td>10.</td>
<td>true</td>
</tr>
<tr>
<td>11.</td>
<td>true</td>
</tr>
<tr>
<td>12.</td>
<td>false</td>
</tr>
<tr>
<td>13.</td>
<td>false</td>
</tr>
<tr>
<td>14.</td>
<td>false</td>
</tr>
<tr>
<td>15.</td>
<td>true</td>
</tr>
<tr>
<td>16.</td>
<td>true</td>
</tr>
<tr>
<td>17.</td>
<td>false</td>
</tr>
<tr>
<td>18.</td>
<td>false</td>
</tr>
<tr>
<td>19.</td>
<td>true</td>
</tr>
<tr>
<td>20.</td>
<td>true</td>
</tr>
<tr>
<td>21.</td>
<td>Cash</td>
</tr>
<tr>
<td>22.</td>
<td>Darriel Jones, Capital</td>
</tr>
<tr>
<td>23.</td>
<td>Delivery Equipment</td>
</tr>
<tr>
<td>24.</td>
<td>Cash</td>
</tr>
<tr>
<td>25.</td>
<td>Machinery</td>
</tr>
<tr>
<td>26.</td>
<td>Mac's Machinery Company</td>
</tr>
<tr>
<td>27.</td>
<td>Cash</td>
</tr>
<tr>
<td>28.</td>
<td>A. B. Smith</td>
</tr>
<tr>
<td>52.</td>
<td>no</td>
</tr>
<tr>
<td>53.</td>
<td>yes</td>
</tr>
<tr>
<td>54.</td>
<td>F</td>
</tr>
<tr>
<td>55.</td>
<td>L</td>
</tr>
<tr>
<td>56.</td>
<td>E</td>
</tr>
<tr>
<td>57.</td>
<td>H</td>
</tr>
<tr>
<td>58.</td>
<td>N</td>
</tr>
<tr>
<td>59.</td>
<td>C</td>
</tr>
<tr>
<td>60.</td>
<td>I</td>
</tr>
<tr>
<td>61.</td>
<td>Cash</td>
</tr>
<tr>
<td>62.</td>
<td>4,621—</td>
</tr>
<tr>
<td>63.</td>
<td>no entry</td>
</tr>
<tr>
<td>64.</td>
<td>Accounts Receivable</td>
</tr>
<tr>
<td>65.</td>
<td>2,395—</td>
</tr>
<tr>
<td>66.</td>
<td>no entry</td>
</tr>
<tr>
<td>67.</td>
<td>Supplies</td>
</tr>
<tr>
<td>68.</td>
<td>69—</td>
</tr>
<tr>
<td>69.</td>
<td>no entry</td>
</tr>
<tr>
<td>70.</td>
<td>Equipment</td>
</tr>
<tr>
<td>71.</td>
<td>600—</td>
</tr>
<tr>
<td>72.</td>
<td>no entry</td>
</tr>
<tr>
<td>73.</td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>74.</td>
<td>no entry</td>
</tr>
<tr>
<td>75.</td>
<td>695—</td>
</tr>
<tr>
<td>76.</td>
<td>C. D. York, Capital</td>
</tr>
<tr>
<td>77.</td>
<td>no entry</td>
</tr>
<tr>
<td>78.</td>
<td>5,377—</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>30.</td>
<td>Cash</td>
</tr>
<tr>
<td>31.</td>
<td>Office Equipment</td>
</tr>
<tr>
<td>32.</td>
<td>Cash</td>
</tr>
<tr>
<td>33.</td>
<td>no</td>
</tr>
<tr>
<td>34.</td>
<td>no</td>
</tr>
<tr>
<td>35.</td>
<td>no</td>
</tr>
<tr>
<td>36.</td>
<td>yes</td>
</tr>
<tr>
<td>37.</td>
<td>yes</td>
</tr>
<tr>
<td>38.</td>
<td>no</td>
</tr>
<tr>
<td>39.</td>
<td>yes</td>
</tr>
<tr>
<td>40.</td>
<td>no</td>
</tr>
<tr>
<td>41.</td>
<td>yes</td>
</tr>
<tr>
<td>42.</td>
<td>yes</td>
</tr>
<tr>
<td>43.</td>
<td>yes</td>
</tr>
<tr>
<td>44.</td>
<td>no</td>
</tr>
<tr>
<td>45.</td>
<td>no</td>
</tr>
<tr>
<td>46.</td>
<td>no</td>
</tr>
<tr>
<td>47.</td>
<td>yes</td>
</tr>
<tr>
<td>48.</td>
<td>yes</td>
</tr>
<tr>
<td>49.</td>
<td>no</td>
</tr>
<tr>
<td>50.</td>
<td>yes</td>
</tr>
</tbody>
</table>

Pupil Test

Attitude Test

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business
There are no correct answers to this test. If you agree with the following statements, write "agree" in the space provided; if you disagree with the following statements, write "disagree" in the space provided.

1. Keeping records is a waste of time.
2. You should understand why as well as how in bookkeeping.
3. It is not important to study bookkeeping because few people keep their books in the same way.
4. The balance sheet should be analyzed for the purpose of improving your business management.
5. All ledger entries could be made without journalizing the entries.
6. Too much emphasis is placed on accuracy in bookkeeping.
7. It is permissible to erase in bookkeeping so long as you make neat erasures.
8. A well-arranged ledger is a time-saving device.
9. The work sheet is desirable in bookkeeping.
10. It is desirable to have the records show a true picture of a business.
11. A proprietor is not interested in whether his business is making a profit or a loss.
12. The teacher puts too much stress on learning the bookkeeping equation.
13. All businesses do not keep records, therefore, keeping records is not necessary.

Pupil Test
Habit Test

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business
Check the "Yes" or "No" column, whichever answers the question correctly.

Do you have the habit of:

1. Following your study guide?
2. Using "How to Study"?
3. Studying at regular hours?
4. Studying as soon after an assignment as possible?
5. Waiting until after a class discussion to study?
6. Going to sleep while studying?
7. Disagreeing with subject matter?
8. Using the scientific method when solving a problem?
9. Being a close observer?
10. Understanding the terminology used?
11. Understanding the principle involved?
12. Making corrections properly?
13. Knowing why you made the error?
14. Ruling each account properly?
15. Ruling each statement properly?
16. Being accurate?
17. Asking questions about procedures that you do not understand?
18. Reading current literature on bookkeeping?
19. Checking yourself on the work sheet?

Key to Habit Test

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

Pupil Test

Appreciation Test

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

Check the "Yes" or "No" column, whichever answers the question correctly.

Do you appreciate the:

1. Business transactions that are recorded by bookkeepers?
2. Profession of bookkeeping as an essential occupation?
3. Job of the bookkeeper as a dignified vocation?
4. Job of bookkeeper as a worthwhile vocation?
5. Value of bookkeeping as a stepping stone to high executive positions?
6. Indispensability of the knowledge of bookkeeping in everyday life?
7. Learning by doing process of learning bookkeeping?
8. Value of an accurate record?
9. Social value of bookkeeping?
10. Economic value of bookkeeping?

Key to Appreciation Test

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

The answer to each of the questions in the appreciation test should be yes.
Bibliography

The Bookkeeping Cycle in its Simplest Form

Bookkeeping for a Service Business

Teacher


Phillips, Nellie M., "For Good Results, Teach the First Bookkeeping Cycle Quickly," The Balance Sheet, (Cincinnati, Chicago, etc., South-Western Publishing Company, November, 1947.)


Pupil


Sherwood, J. F., and Boling, Clem, College Accounting, (Cincinnati, Chicago, etc., South-Western Publishing Company, 1945.)

Unit II
The Special Journals
Time-Saving and Labor-Saving Devices

Introduction

The material in Unit I gave the pupil an overall view of a complete bookkeeping cycle, in which he learned the terminology and its use.

Unit II will go further into the study made in Unit I, giving the pupil a more easy way to complete the bookkeeping cycle. The unit will teach the special journals used in the place of the general journal to record the business transactions in much less time than was necessary in the method used in the preceding unit.

It is good practice for the teacher of bookkeeping to point out the correlation of the principles taught in the preceding unit as the opportunity presents itself. In this way the pupil will be able to see the relationship of the unit to the whole bookkeeping course.

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The Special Journals
Time-Saving and Labor-Saving Devices

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   2. Subject Matter No. 3
   3. Activities No. 3
   4. Correlations No. 3
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   2. Subject Matter No. 4
   3. Activities No. 4
   4. Correlations No. 4
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   1. Study Guide No. 5
   2. Subject Matter No. 5
   3. Activities No. 5
   4. Correlations No. 5
   5. Work Sheet No. 5
   6. Key to Work Sheet No. 5

X Culminating Activities

XI Desirable Outcomes
A. Knowledge and Understanding of
B. Attitude toward
C. Habits of
D. Appreciation for

XII Leads to Other Units

XIII Evaluation:
A. Teacher Evaluation
B. Pupil Test
   1. Knowledge and Understanding of
   2. Attitude toward
   3. Habits of
   4. Appreciation for

XIV Bibliography
A. Teacher
B. Pupil

Criteria for a Unit

The Special Journals

Time-Saving and Labor-Saving Devices

1. The unit should involve a variety of direct sensory experiences.
2. The unit should provide for some free, informal association of the pupils.
3. The unit should provide an opportunity for manipulatives or body activities.
4. The parts of the unit should make a coherent whole.
5. The unit should provide a considerable amount of pupil activity.

---

2 Harap, "Criteria," Western Reserve Bulletin No. 17, p. 6
6. The unit should be satisfying, or the anticipating of the outcomes should be satisfying.

7. The unit should provide sufficient concrete and illustrative material.

8. The unit of work should have a useful purpose in the present or future life of the pupil.

9. The unit should reproduce actual life situations as closely as possible.

10. The unit should utilize materials as they occur in life.

11. The unit should contain accurate information.

12. The unit should provide an opportunity for the pupil to originate, plan, and direct the activity as far as possible.

13. The unit should provide opportunities to judge, choose, and evaluate.

14. The unit should be within the time available for the unit.

15. The exposition should be clear enough to make it possible for a new teacher to put the unit into practice if she so desires.

16. The unit should state clearly where materials may be obtained.

17. When references are given, they should be clear and exact.

Grade Placement—Eleventh Grade

Time Allotment—Ten Weeks

Central Theme—Time-Saving and Labor-Saving Devices

Objectives

The Special Journals

Time-Saving and Labor-Saving Devices

A. Knowledge and Understanding of:

1. The purchase journal and the sales journal—Recording the buying and selling of merchandise on account

2. The cash journals—Recording the receipt and the payment of cash
3. The general journal and the ledgers—Recording miscellaneous entries and posting to ledgers
4. The work sheet and financial reports—Analyzing and interpreting the bookkeeping records
5. Closing the ledger—Adjusting and closing entries

B. Attitude toward:
1. The use of special journals
2. Accuracy in record keeping
3. Controlling accounts and check figures
4. The work sheet as a means of checking
5. Financial reports and their place in business
6. Closing and adjusting books

C. Habits of:
1. Classifying each account correctly
2. Being accurate
3. Making all adjustments on the work sheet
4. Checking all figures on the financial reports
5. Ruling your ledger as you close it

D. Appreciation for:
1. The use of special journals
2. Time-saving devices in bookkeeping
3. Value of financial statements
4. Check figures that assure accuracy

Approaches
The Special Journals
Time-Saving and Labor-Saving Devices
1. Take the pupils to visit the local bank. The bank will be glad to furnish the pupils with forms that are used in the bank for instructional purposes.

2. Display a bank statement with the canceled checks and pass book. You may draw lines from the deposits in the pass book to the deposits on the bank statement and from the canceled checks to the withdrawals on the bank statement.

3. Display several work sheets. Make sure that both profit and loss are shown on these work sheets.

4. Display several profit and loss statements that correspond with the work sheets that are displayed.

5. Display several balance sheets that correspond with the work sheets that are displayed.

Study Guide No. 1

The Purchase Journal and the Sales Journal

Recording the Buying and Selling of Merchandise On Account

1. What is a special journal?

2. What kind of transactions are entered in the purchase journal?

3. The total of the purchase journal is posted into what two accounts in the ledger?

4. Explain how you would post reference the purchase journal.

5. Explain how you would prove the accounts payable ledger.

6. Explain how you would correct an error in the purchase journal.

7. How do you carry totals forward to a new page of the purchase journal?

8. What kind of transactions are entered in the sales journal?

9. The total of the sales journal is posted into what two accounts in the ledger?
10. What information is given on a sales slip?
11. What information is given on a purchase invoice?
12. Why are sales slips usually made out in duplicate?
13. What is the advantage of the subsidiary ledgers for accounts receivable and accounts payable?
14. Explain how you would prove the accounts receivable ledger.
15. Explain how you would post reference the sales journal.
16. Explain how you would correct an error in the sales journal.
17. How do you carry totals forward to a new page of the sales journal?
18. Define the following terms:
   a. abstract of accounts payable
   b. abstract of accounts receivable
   c. accounts payable account
   d. accounts receivable account
   e. accounts payable ledger
   f. accounts receivable ledger
   g. charge customer
   h. charge sale
   i. invoice
   j. purchase on account
   k. purchase journal
   l. sales journal
   m. sales slip
   n. subsidiary ledger

References
Carlson, Fornher, etc., Monograph 62, April, 1945, pp. 58-64.
Subject Matter No. 1

The Purchase Journal and the Sales Journal

Recording the Buying and Selling of Merchandise On Account

I Buying merchandise on account

A. The use of special journals
   1. Definition of a sales journal
   2. Definition of a purchase journal
   3. Use of special journals
      a. Saves time in making entries
      b. Saves time in posting entries

B. Definition of terms
   1. Merchandise
   2. Purchases
      a. Cash purchases
      b. Purchases on account
   3. Invoice
   4. Verifying the extensions

C. Recording purchases on account
   1. The purchase journal
      a. Definition
      b. Form used
      c. Purpose of
      d. Preparation of
         (1) Record only purchases on account
         (2) Information needed in the entry
            (a) Date
            (b) Account credited
(c) Terms of the purchase
(d) Date of invoice
(e) Number of invoice
(f) Amount of invoice
e. Posting from the purchase journal

(1) The subsidiary ledger—accounts payable ledger
   (a) Definition
   (b) Form used
   (c) Purpose of
   (d) Posting

(2) General ledger
   (a) Accounts payable account
   (b) Method of proving the accuracy of posting

2. The purchase invoice method
   a. Method used
      (1) Account payable account as controlling account
      (2) Each invoice is entered in a purchase ledger
      (3) Total of invoices entered in general journal at end of month
   b. Advantages of method
      (1) Saves time
      (2) Purchase journal is not used
   c. Disadvantages of method
      (1) Invoices may become lost
      (2) Errors are too hard to find

II Selling merchandise on account
   A. Selling merchandise
      1. Types of sales
a. Cash sales

b. Charge sales

2. The sales slip
   a. Definition
   b. Necessary information
      (1) Date
      (2) Name and address of customer
      (3) Description of items with price
      (4) Total amount of sale
      (5) Terms
      (6) Other information required by the business

B. Recording sales on account

1. The sales journal
   a. Definition
   b. Use of
   c. Analyzing the sales journal
      (1) Date of sale
      (2) Name of debtor
      (3) Terms
      (4) Amount of sale
   d. Posting the sales journal
      (1) To accounts receivable ledger
         (a) Name and address of debtor
         (b) Date of sale
         (c) Amount of sale
         (d) New balance of account
         (e) Post reference
(1) To general ledger
   (a) Use of total posting
   (b) Accounts receivable as a controlling account
   (c) Post reference

e. Proof of posting
   (1) Abstract of accounts receivable
       (a) Purpose
       (b) Form used
       (c) Preparation of
   (2) Reasons for proving accuracy

f. Correcting errors in the sales journal

2. Sales slip method
   a. Method used
      (1) Accounts receivable as a controlling account
      (2) Total sales slips entered at the end of the month

b. Advantages
   (1) Sales journal is not kept
   (2) Saves time

c. Disadvantages
   (1) Sales slips may be lost
   (2) Errors are too hard to find

Activities No. 1

The Purchase Journal and the Sales Journal

Recording the Buying and Selling of Merchandise on Account

1. Review the material presented in Unit I.
2. Display the following special journals:
a. Purchase Journal
b. Sales Journal
c. Cash Receipts Journal
d. Cash Payment Journal
e. General Journal

3. Display the following ledgers:
   a. Accounts Receivable Ledger
   b. Accounts Payable Ledger
   c. General Ledger

4. Display a blank work sheet form.

5. Display a completed work sheet.

6. Display completed financial statements.

7. Discuss the difference between a purchase and buying supplies.

8. Discuss the difference between a sale and selling other than a sale.

9. Have the pupils complete the following exercises:
   
   Exercise 18, page 111
   Exercise 19, page 122

10. Discuss the completed exercises.

Correlations No. 1

The Purchase Journal and the Sales Journal

Recording the Buying and Selling of Merchandise On Account

Arithmetic:

Have the pupils add and subtract mixed numbers.

Have the pupils multiply and divide mixed numbers.

Have the pupils make extensions on some purchase invoices.

Economics:
Have a panel discussion: "The Effect of Buying and Selling On Account."

Language:
Panel discussion.
Class discussion.

Reading:
Read the subject matter in the textbook.
Read as many of the suggested readings as you can.

Spelling and Vocabulary:
Learn the meaning of the following terms:
Learn to spell the following terms:
abstract of accounts payable
abstract of accounts receivable
accounts payable account
accounts payable ledger
accounts receivable account
accounts receivable ledger
charge customer
charge sale
invoice
purchase on account
purchase journal
sale on account
sales journal
sales slip

Work Sheet No. 1

The Purchase Journal and the Sales Journal

Recording the Buying and Selling of Merchandise On Account
In the space following each of the following named transactions write the name of the special journal in which it would be recorded.

1. Cash received
2. Miscellaneous transactions
3. Sale of merchandise on account
4. Cash paid
5. Purchase of merchandise on account

In the space provided at the left of each statement indicate whether the statement is true or false.

6. Each entry in a purchase journal requires three lines.
7. A journal used to record one kind of transaction is called a combined journal.
8. When you purchase merchandise for resell, you debit the purchase account.
9. If you buy merchandise on account, you will credit an accounts payable account.
10. A ledger that contains a column for the debits, the credits, and the balance is called a balance-column ledger.
11. A credit to an accounts payable account will be added to the previous balance.
12. You can tell the balance owed by the business to any one creditor at any time by reading the balance column of his account.
13. The pages of the accounts payable ledger are numbered.
14. The accounts payable ledger is also known as subsidiary ledger.
15. The total amount of purchases in the purchase journal is posted to the accounts payable account as a debit.
16. The schedule of accounts payable is used to prove the accuracy of the posting in the ledger and in the accounts payable ledger.
17. Credit is the basis of good business relationships.

18. The accounts receivable account will show the total amount owed by the business.

19. The subsidiary ledger will contain essential additional information used to explain a controlling account.

20. Although only one total is found in the purchase journal or in the sales journal, the total is posted to two accounts.

21. Pages must be numbered in a subsidiary ledger.

22. The terms of a sale may change with each sale made.

23. The conditions or agreement under which a sale or a purchase is made is known as the terms of the sale or purchase.

In each of the following sentences write the word or words that best complete the sentence.

24. When cash is paid for merchandise, the transaction is called a ______.

25. Goods that are in stock is known as ______.

26. All purchases of goods for resell are debited in an account called ______.

27. The invoice that is received when you buy merchandise is known by the buyer to be a ______.

28. A person to whom you owe money is called a ______.

29. All purchases on account are recorded first in the ______ journal.

30. A special ledger containing only accounts with your creditors is called a ______ ledger.

31. A list of all your creditors with the amounts owed is called a ______ of accounts payable.

32. If you buy merchandise and promise to pay for it later, the transaction is known as a ______ on account.

Some items are common to both selling and buying merchandise. If the item is
common to both purchases and sales, write yes in the space provided at the
left of each statement, if not, write no.

33. Name and address
34. Date of
35. Terms of
36. Amount of
37. Quantity of each item
38. Description of each item
39. Price of each item

Key to Work Sheet No. 1

The Purchase Journal and the Sales Journal

Recording the Buying and Selling of Merchandise On Account

<table>
<thead>
<tr>
<th></th>
<th>Cash Receipt Journal</th>
<th>General Journal</th>
<th>Sales Journal</th>
<th>Cash Payments Journal</th>
<th>Purchase Journal</th>
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<td>true</td>
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<tr>
<td>11</td>
<td>true</td>
<td>true</td>
<td>true</td>
<td>true</td>
<td>true</td>
<td>39.</td>
<td>yes</td>
</tr>
</tbody>
</table>

Stuudy Guide No. 2

The Cash Journal

Recording the Receipt and the Payment of Cash
1. What kinds of transactions are recorded in the cash receipts journal?
2. What kinds of transactions are recorded in the cash payments journal?
3. Name some of the immediate records of cash receipts.
4. Name some of the immediate records of cash payments.
5. How is the cash balance recorded in the cash receipts journal at the beginning of the month?
6. How is the equality of the debits and credits maintained in the cash receipts journal?
7. How is the equality of the debits and credits maintained in the cash payments journal?
8. What is the purpose of the summarizing entry at the end of the month in the cash receipts journal?
9. What is the purpose of the summarizing entry at the end of the month in the cash payments journal?
10. How is the total of one page of the cash journals transferred to a new page?
11. What is the purpose of the signature card?
12. What is the purpose of the indorsement on a check?
13. Name and describe the different types of indorsements.
14. What is the purpose of the deposit ticket?
15. Describe how a deposit ticket is prepared.
16. Tell why it is necessary for a depositor to keep a record of his bank account on his check stubs.
17. Why should the check stub be completed before the check is written?
18. Explain the procedure used in correcting errors in the cash journals?
19. How do you prove the cash balance in the cash journals?
20. Why is it necessary to reconcile the bank statement?
21. Describe how the bank statement is reconciled.

22. Define the following terms:
   a. A. B. A. number
   b. bank service charge
   c. canceled checks
   d. cash over
   e. cash payments journal
   f. cash receipts journal
   g. cash short
   h. cash transaction
   i. deposit ticket
   j. outstanding check
   k. passbook
   l. signature card

References


Sherwood and Boling, College Accounting, pp. 75-91; 99-114.


Subject Matter No. 2
The Cash Journals

Recording the Receipt and the Payment of Cash

I  Recording the receipt of cash

A. The cash receipts journal

1. Definition
2. Use of
3. Form used
4. Information used
   a. Method of receiving cash
      (1) Checks
      (2) Money orders
      (3) Drafts
   b. Source of information
      (1) Cash on hand at beginning of month
      (2) Cash received during month
         (a) Use of named columns
         (b) Importance of balancing each entry

5. Proving totals
   a. All debit totals equal all credit totals
   b. Necessity of proof of equality

6. Posting from
   a. General ledger credit columns
      (1) Reason for having the general ledger columns
      (2) Method of posting
   b. All other columns used
      (1) Reason for having additional columns
      (2) Method of posting
7. Correcting errors

B. Relationship of the bank account to the cash receipts

1. Bank deposits
   a. Definition
   b. Method of making deposits
      (1) Opening an account
      (2) Deposit tickets
         (a) Preparation of checks for deposit
         (b) Preparation of the deposit ticket

II Recording the payment of cash

A. The cash payments journal

1. Definition
2. Use of
3. Form used
4. Information used
   a. Method of paying cash
      (1) Paid with cash
      (2) Paid by check
   b. Source of information
      (1) Receipts for cash paid
      (2) Check stubs
   c. Recording information
      (1) Use of named columns
      (2) Necessity of balancing each entry

5. Proving totals
   a. All debit totals must equal all credit totals
   b. Necessity for proof of equality
6. Posting from
   a. General ledger columns
      (1) Reason for having the general ledger columns
      (2) Method of posting
   b. All other columns used
      (1) Reason for having additional columns
      (2) Method of posting

7. Correcting errors

B. Relationship of the bank account to the cash payments

1. Use of checks
   a. Definition of
   b. Use of
   c. Preparation of
      (1) The check stub
         (a) Information entered on the check stub
         (b) Importance of the check stub in accounting records
      (2) The check
         (a) The check as legal tender
         (b) Information given on the check

2. The effect of drawing a check upon the bank account

C. Relationship of the cash payments journal to the cash receipts journal

1. Proving cash
   a. Cash receipts minus cash payments equals cash on hand
   b. Amount should agree with cash on hand
      (1) Cash over and short account
      (2) Bank statements
         (a) Definition of
(b) Bank service charges
(c) Reconciling the bank statement

2. Importance of accuracy in the bank account

Activities No. 2

The Cash Journals

Recording the Receipt and the Payment of Cash

1. Take the pupils to visit a bank in your community.
2. Collect all the blanks used in the bank in your community and display them.
3. Discuss the blanks that you have collected in relation to their use in the receipt and payment of cash.
4. Discuss the terminology of the cash account.
5. Have one of the pupils tell of his experience in opening a bank account.
6. Discuss the correct procedure in writing a check.
7. Discuss the reconciling of a bank statement.
8. Discuss the services that are offered by the bank to you as a pupil.
9. Have the pupils complete the following exercises:
   - Exercise 20, page 134
   - Exercise 21, page 134
   - Exercise 22, page 145
   - Exercise 23, page 145
   - Exercise 24, page 146
10. Discuss the completed exercises.
Arithmetic:

Have the pupils learn to add and subtract numbers in a horizontal line.

Economics:

Study the topic, "Our Money and Banking Services," in the following way:

What is money?
Handling money.
Banking.
Bank accounts.
Keeping a personal checking account.

Language:

The pupils will take part in the discussion topics.

Class discussion.

Reading:

Read the subject matter in your textbook.

Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

A. B. A. numbers
bank service charges
canceled checks
cash over
cash receipts journal
cash short
cash transaction
deposit ticket
outstanding checks
reconciling the bank statement
signature card

Work Sheet No. 2
The Cash Journals

Recording the Receipt and the Payment of Cash

Select from the list of words and phrases at the top of the page the word or phrase that best completes the statements that follow and place the letter designation in the space provided.

A. A. B. A. number I. deposit ticket
B. accounts receivable ledger J. drawer
C. passbook K. indorsement
D. canceled check L. outstanding check
E. cash items M. payee
F. cash register N. receipt
G. cash receipts journal O. signature card
H. cash transaction

1. A _____ is a business machine used to record cash receipts.
2. The _____ is a book of original entry in which all cash receipts are recorded.
3. The _____ is the book to which a separate posting is made for each receipt of cash from the charge customers.
4. A _____ is a transaction for which cash is either received or paid.
5. A _____ is a business form used to acknowledge the money received.
6. A _____ is a special form used by banks for the purpose of identification.
7. _____ include bank checks, drafts, money orders, and certified checks.
8. A _____ is a form used to deposit cash items to your checking account.

9. An _____ is the authorization for a legal transfer of a check to another person.

10. A _____ will give a record of the deposits made by a depositor.

11. A _____ is one that has been paid by the bank and returned to the depositor.

12. The _____ is the bank's identification number.

13. The _____ is the depositor that writes a check.

14. The _____ is the person for whom the check is drawn.

15. An _____ is a check that has been drawn but has not been presented for payment.

In the space provided at the left of each statement indicate whether the statement is true or false.

16. Cash receipts are posted to the credit side of the cash account.

17. Currency is listed on the deposit ticket by the denominations of the bills.

18. A post office money order is considered the same as cash.

19. A depositor may authorize other persons to withdraw money from his bank account.

20. The bank statement is one of the best sources of proving the accuracy of the cash account.

Key to Work Sheet No. 2

The Cash Journals

Recording the Receipt and the Payment of Cash


Study Guide No. 3

The General Journal and the Ledgers

Recording Miscellaneous Entries and Posting to Ledgers

1. Discuss the necessity of the general journal when the special journals are used.
2. Name the five types of entries that are usually recorded in the general journal.
3. How is the amount of the accounts receivable as given on a beginning balance sheet proved to be correct?
4. How is the amount of the accounts payable as given on a beginning balance sheet proved to be correct?
5. Why is accuracy so important in entering the opening entry?
6. Are supplies bought on account entered in the purchase journal? If not, why?
7. Explain posting from the general journal.
8. Explain posting to subsidiary ledgers.
9. Explain the relationship between the general journal and the special journal.
10. How are errors in the general journal corrected?
11. Explain how a journal entry is to be made.
12. Name the subsidiary ledgers usually used.
13. What is a schedule of accounts receivable?
14. What is a schedule of accounts payable?
15. How can you prove the equality of the debits and credits in the general journal?
16. How can you prove the posting to the ledger?

17. Define the following terms:
   a. adjusting entries
   b. correcting entries
   c. general journal
   d. miscellaneous current entries
   e. withdrawals

References


Carlson, Forkner, etc., Monograph 62, pp. 47-52.

Carlson, Forkner, and Prickett, 20th Century Bookkeeping and Accounting, pp. 147-166.

Sherwood, and Boling, College Accounting, pp. 60-74.


Subject Matter No. 3

The General Journal and the Ledgers

Recording Miscellaneous Entries and Posting to Ledgers

I. The general journal
   A. Definition
   B. Use of
      1. Recording of opening entries
      2. Recording of miscellaneous daily entries not provided for in special journals
      3. Correcting entries
4. Adjusting entries
5. Closing entries

II The ledger

A. Accounts receivable ledger
   1. Definition
   2. Use of
   3. Posting to
      a. Sales journal
      b. Cash receipt journal
      c. General journal
   4. Proof of posting
      a. Accounts receivable account in general ledger used as a controlling account
      b. Schedule of accounts receivable

5. Correcting errors

B. Accounts payable ledger
   1. Definition
   2. Use of
   3. Posting to
      a. Purchase journal
      b. Cash payments journal
      c. General journal
   4. Proof of posting
      a. Accounts payable account in general ledger used as a controlling account
      b. Schedule of accounts payable

C. General ledger
1. Definition
2. Use of
3. Posting to
   a. Sales journal
   b. Cash receipts journal
   c. Purchase journal
   d. Cash payments journal
   e. General journal
4. Proof of posting
   a. Trial balance
   b. Value of proof in bookkeeping

Activities No. 3
The General Journal and the Ledgers
Recording Miscellaneous Entries and Posting to Ledgers

1. Discuss the following points:
   The nature of the opening entry.
   The nature of current miscellaneous entries that must be recorded in
   the general journal.
   Correcting entries.
   Adjusting entries.
   Closing entries.
   Order of posting from the books of original entry.

2. Write numerous transactions on the blackboard and have the pupils deter-
   mine whether the entry could be entered in a special journal.

3. Analyze several transactions that cannot be recorded in the special journal.

4. Review all material studied in this unit.
5. Have the pupils complete the following exercise:
   Exercise 26, page 163
6. Discuss the completed exercise.
7. Have the pupils complete project three, page 164.
8. Discuss the completed project.

Correlations No. 3
The General Journal and the Ledgers
Recording Miscellaneous Entries and Posting to Ledgers

Arithmetic:
Have the pupils complete problems involving addition and subtraction.

Economics:
Discuss the topic: "The Relationship of Current Miscellaneous Entries in Bookkeeping to Economic Cycles."

Language:
The pupils will take part in the discussion of the special topic.
Class discussion.

Reading:
Read the subject matter in the text book.
Read as many of the suggested readings as you can.

Spelling and Vocabulary:
Learn the meaning of the following terms:
Learn to spell the following terms:
   adjusting entries
   correcting entries
   general journal
   miscellaneous current entries
withdrawals

Work Sheet No. 3

The General Journal and the Ledgers

Recording Miscellaneous Entries and Posting to Ledgers

In the space provided at the left of each statement indicate whether the statement is true or false.

1. An opening entry is required when a new set of books is started.
2. The opening entry is recorded from the profit and loss statement.
3. Entries pertaining to cash transactions are entered in the general journal.
4. An entry recording the withdrawal of cash by the proprietor should be recorded in the general journal.
5. An entry recording the withdrawal of merchandise by the proprietor should be recorded in the general journal.
6. A correcting entry to correct an error found at the time it is made should be made in the general journal regardless of the journal in which the error is made.
7. The postings to the customers' accounts should be made daily.
8. The postings to the creditors' accounts should be made daily.
9. The purpose of keeping a general journal is to record any transaction for which you do not have a special journal.
10. A purchase of supplies for cash would be recorded in the general journal.

For each of the transactions given below indicate the accounts affected by writing the proper account title for each account in the space provided.

11-15. Mr. A. B. Guthrie's beginning balance sheet contains the following
accounts: Cash, Accounts Receivable, Delivery Truck, and Accounts Payable.


14. Credit    15. Credit

16-17. Bought office supplies from the Birkhead Supply Company for cash.

16. Debit    17. Credit

18-19. Mr. Guthrie took an article of merchandise from stock for his own use.

18. Debit    19. Credit

20-21. A charge sale to Mr. Melrow E. Wells was charged in error to the account of Mr. W. F. Wells.

20. Debit    21. Credit

In the space provided at the right of each transaction indicate which book of original entry would be used to record the transaction.

22. Supplies purchased for cash.

23. Withdrawals of cash by the proprietor.

24. Sale on account.

25. Purchase on account.


27. Cash purchase.

28. Paid the invoice of March 1.

29. Received cash in payment of account.

30. Withdrawal of supplies by the proprietor.

Key to Work Sheet No. 3

The General Journal and the Ledgers

Recording Miscellaneous Entries and Posting to Ledgers

1. true    11. Cash    21. Melrow E. Wells

Study Guide No. 4

The Work Sheet and Financial Reports

Analyzing and Interpreting the Bookkeeping Records

1. Give the purpose of the profit and loss statement.
2. Where do you obtain the information used in preparing the profit and loss statement?
3. How is the merchandise available for sale determined?
4. How is the cost of sales determined?
5. List some accounts commonly found in the operating expenses section of the profit and loss statement.
6. Give the purpose of the balance sheet.
7. Where do you obtain the information used in preparing the balance sheet?
8. Describe the balance sheet.
9. What are the three main sections of the balance sheet?
10. Are the assets on the balance sheet listed in any certain order?
11. Are the liabilities on the balance sheet listed in any certain order?
12. Into what six groups of accounts is the ledger divided?
13. What is the purpose of the chart of accounts?

14. Why is it necessary to adjust accounts at the end of the fiscal period?

15. Which accounts in the ledger are adjusted?

16. Which accounts in the ledger are never adjusted?

17. List the accounts from the trial balance in Exercise 14-A on page 460 of your textbook; and from this list answer the following questions for each account:
   a. Should I adjust this account?
   b. What elements are mixed in this account?
   c. What should I debit?
   d. What should I credit?

18. Is it necessary to prepare an adjusted trial balance? Why?

19. How is the net profit or net loss determined on the work sheet?

20. Define the following terms:
   a. balance sheet
   b. accounts with mixed balances
   c. accounts with true balances
   d. adjusted trial balance
   e. chart of accounts
   f. current assets
   g. current liabilities
   h. deferred charges
   i. gross profit on sales
   j. merchandise inventory
   k. net profit
   l. net loss
   m. prepaid insurance
n. present capital
o. profit and loss statement
p. taking inventory

References


Carlson, Fargner, and Prickett, 20th Century Bookkeeping and Accounting, pp. 167-190.


Sherwood, and Boling, College Accounting, pp. 57-59; 183-208; 507-522.

Subject Matter No. 4
The Work Sheet and the Financial Reports
Analyzing and Interpreting the Bookkeeping Records

I. The work sheet
A. Definition
B. Use of
C. Form of
1. Heading
   a. Name of business
   b. Name of report
   c. Date of report
2. Account titles
   a. Source of information
   b. Use of the information
3. Post reference
   a. Source of information
   b. Use of the information
   c. Importance of the post reference

4. Trial balance columns
   a. Debit entries
      (1) Source of information
      (2) Accounts debited
   b. Credit entries
      (1) Source of information
      (2) Accounts credited

5. Adjustment columns
   a. Need for adjustments
      (1) Accounts with true balances
      (2) Accounts with mixed balances
         (a) Contain more than one element
         (b) Accounts usually containing mixed balances
   b. Method of making adjustments
      (1) Purchase account
         (a) Add beginning merchandise inventory to the purchases
         (b) Determine merchandise inventory at the end of the period
         (c) Subtract ending inventory from purchases
      (2) Prepaid expense accounts
         (a) Determine amount of expense prepaid
         (b) Determine amount of expense used
      (3) Prepaid insurance
(a) Determine amount of insurance prepaid
(b) Determine the amount of insurance expired

6. Extending the profit and loss statement and balance sheet figures
   a. Classification of accounts on the work sheet
      (1) Balance sheet accounts
          (a) Assets
          (b) Liabilities
          (c) Proprietorship
      (2) Profit and loss accounts
          (a) Income
          (b) Cost of sales
          (c) Expense
   b. Determining the profit and loss from the work sheet
      (1) Differences between the assets and liabilities plus the
          proprietorship in the balance sheet columns
      (2) Difference between the cost of sales plus the expense
          and the income in the profit and loss columns

D. The work sheet as a temporary record
   1. Value of the work sheet as a check for accuracy
   2. Value of the work sheet as a basis for making reports

II Financial reports
A. Balance sheet
   1. Definition
   2. Use of
      a. Planning future business activities
      b. As a basis for credit ratings
      c. As a basis for predicting the trends of business
3. Form of
   a. Types of balance sheets
      (1) Account form
      (2) Report form
   b. Advantages of each form
4. Preparation of the report form
   a. Heading
      (1) Name of business
      (2) Name of report
      (3) Date of report
   b. Body of the report
      (1) Asset section
         (a) Name of each asset with its amount
         (b) Total assets
         (c) Ruling
      (2) Liabilities section
         (a) Name of each liability account
         (b) Total liabilities
         (c) Ruling
      (3) Proprietorship section
         (a) Name of proprietor with amount
         (b) Add net profit or deduct net loss
         (c) Deduct withdrawals
         (d) Determine net increase or net decrease in capital
         (e) Determine amount in capital account
         (f) Total of liabilities plus proprietorship
         (g) Ruling
5. Proof of accuracy
   a. The bookkeeping equation is used
   b. Assets are equal to liabilities plus proprietorship

B. The profit and loss statement
   1. Definition
   2. Use of
      a. Gives information about the business
         (1) Amount of income
         (2) Cost of sales
         (3) Amount of expense
         (4) Amount of profit or loss
      b. As a basis for changes in management
   3. Preparation of
      a. Heading
         (1) Name of business
         (2) Name of report
         (3) Period for which the report is made
      b. Divisions of the report
         (1) Income section
            (a) Sales
            (b) Commissions
            (c) Services
         (2) Cost of Sales
            (a) Beginning inventories
            (b) Purchases during the period
            (c) Ending inventories
         (3) Expense section
C. Supplemental reports

1. Definition

2. Use of
   a. Gives a detailed summary of information
   b. Proves accuracy of certain accounts

3. Names of reports
   a. Schedule of accounts receivable
   b. Schedule of accounts payable

4. Preparation of
   a. Schedule of accounts receivable
      (1) Heading
         (a) Name of business
         (b) Name of report
         (c) Date of report
      (2) Body of report
         (a) Name of each debtor
         (b) Amount owed by each debtor
         (c) Total amount receivable
         (d) Ruling
   b. Schedule of accounts payable
      (1) Heading
         (a) Name of business
         (b) Name of report
         (c) Date of report
      (2) Body of report
         (a) Name of each creditor
         (b) Amount owed to each creditor
(c) Total amount payable
(d) Ruling

III Classification of accounts

A. Division of the ledger

1. Balance sheet accounts
   a. Assets
   b. Liabilities
   c. Proprietorship

2. Profit and loss accounts
   a. Income
   b. Cost of sales
   c. Expense

B. Advantages of dividing the ledger

Activities No. 4

The Work Sheet and the Financial Reports

Analyzing and Interpreting the Bookkeeping Records

1. Collect and display several finished work sheets with adjustments.
2. Discuss the need for adjusting certain accounts.
3. Discuss mixed balances and true balances.
4. Discuss the adjusted trial balance.
5. Have the pupils use the work sheet on page 177 of their textbooks as a problem in analyzing the completed work sheet.
6. Collect and display several financial statements.
7. Show the pupils how to obtain the information for the financial statement from the work sheet.
8. Discuss the profit and loss statement.
9. Discuss the balance sheet.
10. Discuss the relationship between the financial reports.
11. Discuss the chart of accounts on page 187 of the textbook.
12. Have the pupils complete the following exercises:
   - Exercise 27, page 180
   - Exercise 28, page 180
   - Exercise 29, page 189
   - Exercise 30, page 189
   - Exercise 31, page 190
   - Exercise 32, page 190
13. Discuss the completed exercises.

Correlations No. 4

The Work Sheet and the Financial Reports
Analyzing and Interpreting the Bookkeeping Records

Arithmetic:

   Have the pupils complete problems involving addition and subtraction of
   numbers in horizontal columns.

Economics:

   Discuss the topic: "The Place of Financial Reports in the Management of
   Business."

Language:

   The pupils will take part in the discussion of the special topic.
   Class discussion.

Reading:

   Read the subject matter in the textbook.
   Read as many of the suggested readings as you can.
Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

- adjusted trial balance
- chart of accounts
- current assets
- current liabilities
- deferred charges
- gross profit on sales
- merchandise inventory
- net profit
- net loss
- prepaid insurance
- present capital
- taking inventory

Work Sheet No. 4

The Work Sheet and the Financial Reports

Analyzing and Interpreting the Bookkeeping Records

In the space provided at the left of each account title indicate whether the account would normally have a debit or a credit balance.

1. Cash
2. Accounts Receivable
3. Merchandise Inventory
4. Prepaid Insurance
5. Supplies
6. Accounts Payable
7. C. A. Goldman, Capital
8. C. A. Goldman, Drawing (Withdrawals)
9. Sales
10. Purchases
11. Salary Expense
12. Delivery Expense
13. Rent Expense
11. Miscellaneous Expense

In the space provided at the left of each account title indicate whether the account would be classified as a profit and loss account or a balance sheet account. Use PL for profit and loss accounts and use BS for balance sheet accounts.

15. Cash
16. Accounts Receivable
17. Merchandise Inventory
18. Supplies
19. Prepaid Insurance
20. Accounts Payable
21. C. A. Goldman, Capital
22. C. A. Goldman, Drawing, (Withdrawals)
23. Sales
24. Purchases
25. Salary Expense
26. Delivery Expense
27. Rent Expense
28. Miscellaneous Expense

In the space provided at the left of each statement indicate whether the statement is true or false.

29. Each account title is written on the work sheet one time.
30. The net profit or the net loss will appear on the work sheet two times.
31. The adjusted purchases account will show the total amount of merchandise bought during the fiscal period.
32. The net profit or the net loss as shown on the work sheet must agree with the net profit or the net loss as shown on the profit and loss statement and on the balance sheet.
33. The information needed to prepare the financial reports may be found on the work sheet.
34. Deferred charges are listed in the liabilities section of the balance sheet.
35. The balance sheet reports the condition of the business as of a specific date.
Key to Work Sheet No. 4

The Work Sheet and the Financial Reports

Analyzing and Interpreting the Bookkeeping Records

1. debit 8. debit 15. BS 22. ES 29. true
2. debit 9. credit 16. BS 23. PL 30. true
3. debit 10. debit 17. BS 24. PL 31. false
4. debit 11. debit 18. BS 25. PL 32. true
5. debit 12. debit 19. BS 26. PL 33. true
6. credit 13. debit 20. BS 27. PL 34. false
7. credit 14. debit 21. BS 28. PL 35. true

Study Guide No. 5

Closing the Ledger

Adjusting and Closing Entries

1. Discuss adjusting entries.
2. Why are adjusting entries necessary?
3. When are adjusting entries made?
4. Where do you find the information necessary to make an adjustment?
5. Are all accounts adjusted? If not, explain why not.
6. What information is contained in the following accounts after the adjustments are made:
   a. Merchandise Inventory?
   b. Purchases?
   c. Supplies?
   d. Supplies Used?
   e. Prepaid Insurance?
   f. Expired Insurance?
7. Discuss closing entries.
8. Why are closing entries necessary?
9. When are closing entries made?
10. Where do you find the information necessary to make the closing entries?
11. Describe the process of closing an account.
12. Describe the post-closing trial balance.
14. Describe the statement of account.
15. Give the purpose of the statement of account.
16. What types of accounts are left in the ledger after it is closed?
17. Define the following terms:
   a. adjusting entries
   b. closing entries
   c. closing the ledger
   d. post-closing trial balance
   e. statement of account

Reference


Carlson, Forkner, and Prickett, 20th Century Bookkeeping and Accounting, pp. 191-204.

Carpenter, J., and Wilson, Richard P., Analysis of Financial Statements, (Chicago, La Salle Extension University, 1946.)


Sherwood and Boling, College Accounting, pp. 209-226.

Subject Matter No. 5

Closing the Ledger
Adjusting and Closing Entries

I. Adjusting entries
   A. Definition
   B. Need of
      1. Accounts with true balances
         a. Definition
         b. Examples
            (1) Cash
            (2) Accounts receivable
            (3) Others
      2. Accounts with mixed balances
         a. Definition
         b. Examples
            (1) Merchandise inventory
            (2) Purchases
            (3) Prepaid expenses
            (4) Others
   C. Source of information for adjusting entries
      1. Debit adjustment columns of the work sheet
      2. Credit adjustment columns of the work sheet
   D. Journal entries required
      1. As authority for posting
      2. Must follow the correct form for journal entries

II. Closing entries
   A. Definition
   B. Need of
      1. All bookkeeping starts and ends with a balance sheet
2. To remove all temporary proprietorship accounts from the ledger

C. Source of information
   1. Debit profit and loss column of the work sheet
   2. Credit profit and loss column of the work sheet

D. Journal entry as authority for ledger posting

E. Use of the profit and loss summary account in closing the ledger

F. Use of the drawing account in closing the ledger

G. The ledger after it is closed
   1. Ruling the ledger
   2. Post-closing trial balance

Activities No. 5
Closing the Ledger
Adjusting and Closing Entries

1. Discuss the need for adjusting entries.

2. Draw several "T" accounts on the blackboard to illustrate how the accounts in the ledger will look after they are posted.

3. Discuss the need for closing entries.

4. Analyze the closing entries illustrated in your textbook on page 195.

5. Study the closed ledger illustrated in your textbook on pages 197, 198, and 199.

6. Discuss the closed ledger.

7. Review the bookkeeping equation.

8. Have the pupils complete the following exercises:
   
   Exercise 33, page 203
   Exercise 34, page 204
   Exercise 35, page 205
9. Discuss the completed exercises.

Correlations No. 5
Closing the Ledger
Adjusting and Closing Entries

Arithmetic:
Have the pupils complete problems involving addition and subtraction of numbers by placement on the paper.

Economics:
Discuss the topic: "Taking Adjustments into Consideration in Management."

Language:
The pupils will take part in the discussion of the special topic.
Class discussion.

Reading:
Read the subject matter in your textbook.
Read as many of the suggested readings as you can.

Spelling and Vocabulary:
Learn the meaning of the following terms:
Learn to spell the following terms:

- adjusting entries
- closing entries
- closing the ledger
- post-closing trial balance
- statement of account

Work Sheet No. 5
Closing the Ledger
Adjusting and Closing Entries
In the space provided at the left of each statement indicate whether the statement is true or false.

1. The adjusting entries are made from the information found in the adjustment columns of the work sheet.

2. The beginning inventory is transferred to the purchases account.

3. The ending inventory is not considered when you make adjustments.

4. The supplies used account is originated to record the expense caused by using the supplies.

5. The amount of supplies used must be credited to the supplies account at the end of the fiscal period.

6. The supplies account will be closed after the adjustment is made.

7. In order to bring an asset account up to date at the end of the fiscal period, a correcting entry must be made.

8. The expired insurance account is originated at the end of the fiscal period.

9. An account is closed if the account balance is zero.

10. Balance sheet accounts are not closed.

11. All income, cost, and expense is summarized in the profit and loss summary account.

12. A debit balance in the profit and loss summary account indicates a net loss.

13. A net loss is recorded in the proprietor's drawing account on the credit side.

14. A debit in a proprietorship account indicates a gain in proprietorship.

Fill in the blanks with the word or phrase that will best complete the following statements.

15. The term applied to the interval for which the analysis of bookkeeping
records is made is the _____ period.

16. All adjustments on the work sheet are made in the _____ columns.

17. The _____ trial balance is the trial balance prepared after the books are closed.

18. The _____ inventory is transferred to the purchases account at the end of the fiscal period.

19. The _____ inventory is transferred out of the purchases account at the end of the fiscal period.

20. A _____ entry is one that transfers the balances of the income, cost of sales, and expense accounts to the profit and loss summary account.

Key to Work Sheet No. 5

Closing the Ledger

Adjusting and Closing Entries

1. true 6. false 11. true 16. adjustment
2. true 7. false 12. true 17. post-closing
3. false 8. true 13. false 18. beginning
4. true 9. true 14. false 19. ending
5. true 10. true 15. fiscal 20. closing

Culminating Activities

The Special Journals

Time-Saving and Labor-Saving Devices

1. Set up a model single proprietorship business. (Use Project 3, page 164.)

Let the pupils be divided into six groups that will complete the five books of original entry and the ledger.

a. Each group will make all the entries in the journal for which it is responsible.
b. The group responsible for the ledger will do all the posting.

c. Each pupil will prepare a work sheet and complete the financial statements.

d. Each pupil will make all the adjusting and closing entries.

e. The completed project will be displayed on the bulletin board.

2. Have a debate: "Resolved that the use of special journals facilitates accounting."

3. Divide the class into teams and let them arrange to give a panel discussion or individual reports on one of the following subjects:

   a. Purchases as distinguished from expenses and the buying of fixed assets.

   b. Sales as distinguished from the sale of fixed assets.

   c. Cash receipts.

   d. Cash payments.

   e. Accounting for accounts receivable.

   f. Accounting for accounts payable.

4. Have each pupil prepare a chart of the bookkeeping cycle. Display the best of these charts on the bulletin board.

Desirable Outcomes

The Special Journals

Time-Saving and Labor-Saving Devices

A. Knowledge and Understanding of:

1. Buying merchandise on account

   a. The use of special journals—Purchases Journal

   b. Definition of the terminology used.

   c. Recording purchases on account

      (1) The purchases journal method
(2) The invoice method

2. Selling merchandise on account
   a. The use of special journals--Sales Journal
   b. Definition of the terminology used
   c. Recording sales on account
      (1) The sales journal method
      (2) The invoice method

3. Recording the receipt of cash
   a. The use of special journals--Cash Receipts Journal
   b. Definition of the terminology used
   c. Recording the receipt of cash
   d. Relationship of the bank account to the cash receipts

4. Recording the payment of cash
   a. The use of special journals--Cash Payments Journal
   b. Definition of the terminology used
   c. Recording the payment of cash
   d. Relationship of the bank account to the cash payments
   e. Relationship of the cash receipts to the cash payments

5. The general journal
   a. Definition
   b. Purpose

6. The ledger
   a. Accounts receivable ledger
      (1) Definition
      (2) Purpose
      (3) Posting
      (4) Proving
(5) Correcting errors

b. Accounts payable ledger
   (1) Definition
   (2) Purpose
   (3) Posting
   (4) Proving
   (5) Correcting errors

c. General ledger
   (1) Definition
   (2) Purpose
   (3) Posting
   (4) Proving
   (5) Correcting errors

7. The work sheet
   a. Definition
   b. Purpose
   c. Form
   d. Preparation
   e. As a temporary record

8. Financial reports
   a. Balance sheet
      (1) Definition
      (2) Purpose
      (3) Form of
      (4) Preparation
      (5) Proof of accuracy
   b. Profit and loss statement
(1) Definition
(2) Purpose
(3) Form of
(4) Preparation
(5) Proof of accuracy

c. Supplemental reports
   (1) Definition
   (2) Purpose
   (3) Names of reports
      (a) Schedule of accounts receivable
      (b) Schedule of accounts payable
   (4) Preparation

9. Classification of accounts
   a. Division of the ledger
      (1) Balance sheet accounts
      (2) Profit and loss accounts
   b. Advantages of dividing the ledger

10. Adjusting entries
   a. Definition
   b. Purpose
   c. Need of
      (1) Accounts with true balances
      (2) Accounts with mixed balances
   d. Source of information for making adjusting entries
   e. Journal entries required

11. Closing entries
   a. Definition
b. Purpose

c. Source of information for making closing entries

d. The ledger after it is closed

   (1) Ruling

   (2) Post-closing trial balance

B. Attitudes toward:

   1. The use of a special journal to record purchases on account

   2. Buying of merchandise on account

   3. Using a controlling account to record accounts payable

   4. The two methods of using the controlling account, accounts payable

   5. The use of a special journal to record sales on account

   6. Selling merchandise on account

   7. Using a controlling account to record accounts receivable

   8. The two methods of using the controlling account, accounts receivable

   9. The use of a special journal to record the receipt of cash

  10. The relationship of the bank account to the cash receipts

  11. Services that the bank offers

  12. The use of a special journal to record the payment of cash

  13. The relationship of the bank account to the cash payments

  14. The use of checks

  15. The relationship of the cash receipts to the cash payments

  16. The importance of accuracy in the bank account

  17. The general journal as a means of recording miscellaneous entries

  18. Accuracy and means of proving each of the journals

  19. The bank account as a means of proving cash

  20. The schedules of accounts receivable and accounts payable as a means of proving the posting to these accounts
21. The ledger as a summary of your bookkeeping records
22. Method of posting books
23. The trial balance as a final proof of posting
24. The correcting entries
25. The work sheet as a means of analyzing the bookkeeping records
26. The balance sheet as a financial statement
27. The profit and loss statement as a financial statement
28. The division of the ledger for convenience
29. The classification of accounts by their use in interpreting the records
30. The use of adjusting the ledger as a means of obtaining true balances in the ledger accounts
31. The required journal entries
32. Closing the ledger at the end of a fiscal period
33. The drawing account as a means of closing the ledger
34. The ledger after it is closed
35. The post-closing trial balance as final proof that the records are completed

C. Habits of:
1. Using the purchases journal to record purchases on account
2. Keeping a subsidiary ledger
3. Using the sales journal to record sales on account
4. Recording the cash transactions in the cash journals
5. Using the general journal to record all other entries
6. Knowing the terminology of the special journals
7. Distinguishing between purchases and expenses
8. Proving the accuracy of your work
9. Making correcting entries properly
10. Following the correct procedure in posting the ledgers
11. Preparing the work sheet for the purpose of analyzing your work
12. Preparing your financial statements properly
13. Checking the accuracy of the financial statements
14. Classifying each account in the ledger
15. Making adjusting and closing entries properly
16. Preparing the post-closing trial balance
17. Using your controlling accounts to the best advantage

D. Appreciations for:
   1. The time-saving features of the special journals
   2. The labor-saving features of the special journals
   3. The controlling accounts as a proof of accuracy
   4. The buying and selling of merchandise on account
   5. The relationship of the bank to the cash account
   6. The services of the bank
   7. The use of checks
   8. The importance of accuracy in the bank account
   9. The means of proof in bookkeeping
10. The ledger as a summary of bookkeeping records
11. Posting to the ledgers
12. The work sheet as a means of analyzing the records
13. The financial statements and their place in the management of business
14. The classification of accounts for convenience
15. The closed ledger
16. The post-closing trial balance as a final proof of accuracy

Leads to Other Unites

The Special Journals
Time-Saving and Labor-Saving Devices

The pupil should have gained much information in the study of this unit that should help him in the study of the following units:

- Unit III Small Business Bookkeeping
- Unit IV Adapting Bookkeeping Methods to the Needs of the Business
- Unit V Useful Applications of Principles Studied

Teacher Evaluation

The Special Journals

Time-Saving and Labor-Saving Devices

To what extent does the unit:

1. Involve a variety of direct sensory experiences?
2. Provide for free informal association of pupils?
3. Provide an opportunity for manipulative or bodily activities?
4. Make a coherent whole?
5. Provide a considerable amount of pupil activity?
6. Produce satisfying outcomes?
7. Provide sufficient concrete and illustrative materials?
8. Have a useful purpose in the present and future life of the pupils?
9. Reproduce actual life situations as far as possible?

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10. Utilize materials as they occur in life?  
11. Contain some accurate material?  
12. Provide opportunity for pupils to originate, plan, and direct activity as far as possible?  
13. Provide opportunity to judge, choose, and evaluate?  
14. End or lie within the available time?  
15. Make it possible for a new teacher to put it into practice if she desires?  
16. State clearly where materials may be obtained?  
17. Give complete, exact references?  

Pupil Test  
Knowledge and Understanding Test  
The Special Journals  
Time-Saving and Labor-Saving Devices

In the space following each of the following named transactions write the name of the special journal in which it would be recorded.

1. Cash received
2. Miscellaneous transactions
3. Sale of merchandise on account
4. Cash paid
5. Purchase of merchandise on account

In each of the following sentences write the word or words that best completes
the sentence.

6. When cash is paid for merchandise, the transaction is called a _____.
7. Goods that are in stock is known as _____.
8. All purchases of goods for resell are debited in an account called _____.
9. The invoice that is received when you buy merchandise is known by the buyer to be a _____.
10. A person to whom you owe money is called a ______.
11. All purchases on account are recorded first in the ______ journal.
12. A special ledger containing only accounts with your creditors is called a _____ ledger.
13. A list of all your creditors with amounts owed is called a _____ of accounts payable.
14. If you buy merchandise and promise to pay for it later, the transaction is known as a ______ on account.
15. The term applied to the interval for which the analysis of bookkeeping records is made is the _____ period.
16. All adjustments on the work sheet are made in the _____ columns.
17. The _____ trial balance is the trial balance prepared after the books are closed.
18. The _____ inventory is transferred to the purchases account at the end of the fiscal period.
19. The _____ inventory is transferred out of the purchases account at the end of the fiscal period.
20. A _____ entry is one that transfers the balances of the income, cost of sales, and expense accounts to the profit and loss summary account.

Some items are common to both selling and buying merchandise. If the item is common to both purchases and sales, write yes in the space provided at the left of each statement; if not, write no.
21. Name and address
22. Date of
23. Terms of
24. Amount of
25. Quantity of each item
26. Description of each item
27. Price of each item

Select from the list of words and phrases at the top of the exercise the word or phrase that best completes the statements that follow and place the letter designation in the space provided.

A. A. B. A. number     F. cash register     K. indorsement
B. accounts receivable ledger G. cash receipts journal L. outstanding check
C. bank passbook        H. cash transaction M. payee
D. canceled check       I. deposit ticket    N. receipt
E. cash items           J. drawer           O. signature card

28. A ______ is a business machine used to record cash receipts.
29. The ______ is a book of original entry in which all cash receipts are recorded.
30. The ______ is the book to which a separate posting is made for each receipt of cash from the charge customers.
31. A ______ is a transaction for which cash is either received or paid.
32. A ______ is a business form used to acknowledge the money received.
33. A ______ is a special form used by banks for the purpose of identification.
34. ______ include bank checks, drafts, money orders, and certified checks.
35. A ______ is a form used to deposit cash items to your checking account.
36. An ______ is the authorization for a legal transfer of a check.
37. A _____ will give a record of the deposits made by a depositor.

38. A _____ is one that has been paid by the bank and returned to the depositor.

39. The _____ is the bank's identification number.

40. The _____ is the depositor that writes a check.

41. The _____ is the person for whom the depositor draws the check.

42. An _____ is a check that has been drawn but has not been presented for payment.

For each of the transactions given below indicate the accounts affected by writing the proper account title for each account affected in the space provided.

43-47. Mr. A. B. Guthrie's beginning balance sheet contains the following accounts—Cash, Accounts Receivable, Delivery Truck, and Accounts Payable. (Prepare the opening entry.)

43. Debit _____

44. Credit _____

45. Debit _____

46. Credit _____

47. Debit _____

48-49. Bought office supplies from the Birkhead Supply Company for cash.

48. Debit _____

49. Credit _____

50-51. Mr. Guthrie took an article of merchandise from stock for his own use.

50. Debit _____

51. Credit _____

52-53. A charge sale to Mr. Walrow E. Wells was charged in error to the account of M. F. Wells.

52. Debit _____

53. Credit _____

In the space provided at the left of each account title indicate whether the account would normally have a debit or a credit balance.

54. Cash _____

61. C. A. Goldman, Drawing (Withdrawals) _____

55. Accounts Receivable _____

62. Sales _____
56. Merchandise Inventory  63. Purchases
57. Prepaid Insurance  64. Salary Expense
58. Supplies  65. Delivery Expense
59. Accounts Payable  66. Rent Expense
60. C. A. Goldman, Capital  67. Miscellaneous Expense

In the space provided at the left of each account title indicate whether the account would be classified as a profit and loss account or a balance sheet account. Use PL for profit and loss statement accounts and use BS for balance sheet accounts.

68. Cash  75. C. A. Goldman, Drawing (Withdrawals)
69. Accounts Receivable  76. Sales
70. Merchandise Inventory  77. Purchases
71. Supplies  78. Salary Expense
72. Prepaid Insurance  79. Delivery Expense
73. Accounts Payable  80. Rent Expense
74. C. A. Goldman, Capital  81. Miscellaneous Expense

In the space provided at the left of each statement indicate whether the statement is true or false.

82. Each entry in the purchases journal requires three lines.
83. A journal used to record one kind of transaction is called a combined journal.
84. When you purchase merchandise for resale, you debit the purchases account.
85. If you buy merchandise on account, you will credit an accounts payable account.
86. A ledger that contains a column for the debits, the credits, and the balance is called a balance-column ledger.
87. A credit to an accounts payable account will be added to the previous balance.

88. You can tell the balance owed by the business to any one creditor at any time by reading the balance column of his account.

89. The pages of the accounts payable ledger are numbered.

90. The accounts payable ledger is also known as a subsidiary ledger.

91. The total amount of purchases in the purchases journal is posted to the accounts payable account as a debit.

92. The schedule of accounts payable is used to prove the accuracy of the posting in the ledger in which it is posted.

93. Credit is the basis of good business relationships.

94. The accounts receivable account will show the total amount owed by the business.

95. The subsidiary ledger will contain essential additional information used to explain a controlling account.

96. Although only one total is found in the purchases or sales journals, the total is posted to two accounts.

97. Pages must be numbered in a subsidiary ledger.

98. The terms of a sale may change with each sale made.

99. The conditions or agreement under which a sale or a purchase is made is known as the terms of the sale or purchase.

100. Cash receipts are posted to the credit side of the cash account.

101. Currency is listed on the deposit ticket by the denominations of the bills.

102. A postal money order is considered the same as cash.

103. A depositor may authorize other people to withdraw money from his account.
104. The bank statement is one of the best sources of proving the accuracy of the cash account.

105. An opening entry is required when a new set of books is started.

106. The opening entry is recorded from the profit and loss statement.

107. Entries pertaining to cash transactions are entered in the general journal.

108. An entry recording the withdrawal of cash by the proprietor should be recorded in the general journal.

109. An entry recording the withdrawal of merchandise by the proprietor should be recorded in the general journal.

110. The postings to the customers' accounts should be made daily.

111. The postings to the creditors' accounts should be made daily.

112. A purchase of supplies for cash would be recorded in the general journal.

113. Each account title is written on the work sheet one time.

114. Deferred charges are listed in the liabilities section of the balance sheet.

115. The information needed to prepare the financial reports may be found on the work sheet.

116. The balance sheet reports the condition of the business as of a specific date.

117. The adjusting entries are made from the information found in the adjustment columns of the work sheet.

118. A debit balance in the profit and loss summary account indicates a net loss.

119. A debit in a proprietorship account indicates a gain in proprietorship.

120. An account is closed if the account balance is zero.
Key to Knowledge and Understanding Test

The Special Journals

Time-Saving and Labor-Saving Devices

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Pupil Test

Attitude Test

The Special Journals

Time-Saving and Labor-Saving Devices

There are no correct answers to this test. If you agree with the following statements, write "agree" in the space provided; if you disagree with the following statements, write "disagree" in the space provided.

1. Keeping records is a waste of time.
2. You should understand why as well as how in bookkeeping.
3. It is not important to study bookkeeping because few people keep their books in the same way.
4. The balance sheet should be analyzed for the purpose of improving your business management.

5. All ledger entries could be made without journalizing the entries.

6. Too much emphasis is placed on accuracy in bookkeeping.

7. It is permissible to erase in bookkeeping so long as you make neat erasures.

8. A well-arranged ledger is a time-saving device.

9. The work sheet is desirable in bookkeeping.

10. It is desirable to have the records show a true picture of a business.

11. A proprietor is not interested in whether his business is making a profit or a loss.

12. The teacher puts too much stress on learning the bookkeeping equation.

13. All businesses do not keep records, therefore, keeping records is not necessary.

Pupil Test
Habit Test
The Special Journals

Time-Saving and Labor-Saving Devices

Check the "Yes" or "No" column, whichever answers the question correctly.

Do you have the habit of:

1. Following your study guide?

2. Using "How to Study"?

3. Studying at regular hours?

4. Studying as soon after an assignment as possible?

5. Waiting until after a class discussion to study?

6. Going to sleep while studying?
7. Disagreeing with subject matter?
8. Using the scientific method when solving a problem?
9. Being a close observer?
10. Understanding the terminology used?
11. Understanding the principle involved?
12. Making corrections properly?
13. Knowing why you made the error?
14. Ruling each account properly?
15. Ruling each statement properly?
16. Being accurate?
17. Asking questions about procedures that you do not understand?
18. Reading current literature on bookkeeping?
19. Checking yourself on the work sheet?

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Key to Habit Test

The Special Journals

Time-Saving and Labor-Saving Devices


Pupil Test

Appreciation Test

The Special Journals

Time-Saving and Labor-Saving Devices
Check the "Yes" or "No" column, whichever answers the question correctly.

Do you appreciate the:

1. Business transactions that are recorded by bookkeepers?
2. Profession of bookkeeping as an essential occupation?
3. Job of the bookkeeper as a dignified vocation?
4. Job of bookkeeper as a worthwhile vocation?
5. Value of bookkeeping as a stepping stone to high executive positions?
6. Indispensability of the knowledge of bookkeeping in everyday life?
7. Learning by doing process of learning bookkeeping?
8. Value of an accurate record?
9. Social value of bookkeeping?
10. Economic value of bookkeeping?

Key to Appreciation Test
The Special Journals
Time-Saving and Labor-Saving Devices

The answer to each of the questions in the appreciation test should be yes.

Bibliography
The Special Journals
Time-Saving and Labor-Saving Devices

Teacher


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Walters, T. L., "Words and the Accountant," The Balance Sheet, (Cincinnati, Chicago, etc., South-Western Publishing Company, September, 1951.)


Pupil


Sherwood, J. F., and Boling, Clem, College Accounting, (Cincinnati, Chicago, etc., South-Western Publishing Company, 1946.)

Unit III

The Combined Cash Journal

Small Business Bookkeeping

Introduction

The pupil has learned enough bookkeeping at this time so that he could do bookkeeping in the average small business.

Although the pupil could, at this time, take the average bookkeeping job, it is important that he learn some of the different methods of applying the principles he has learned.

In Unit III the pupil will become acquainted with the use of special time- and labor-saving devices; special journals, special problems that may arise; and other information that could not be taught earlier because of the
pupil's lack of comprehension of the complete bookkeeping cycle in its various forms.

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Small Business Bookkeeping

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V Grade Placement—Time Allotment
VI Central Theme
VII Objectives:
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   B. Attitudes toward
   C. Habits of
   D. Appreciations for
VIII Approaches
IX Development or Procedures:
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      2. Subject Matter No. 1
      3. Activities No. 1
      4. Correlations No. 1
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7. Key to Work Sheet No. 1

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4. Correlations No. 2
5. Work Sheet No. 2
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2. Subject Matter No. 3
3. Activities No. 3
4. Correlations No. 3
5. Work Sheet No. 3
6. Key to Work Sheet No. 3

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XIII Evaluation:
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   2. Attitude toward
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A. Teacher
B. Pupil
Criteria for a Unit

The Combined Cash Journal
Small Business Bookkeeping

1. The unit should involve a variety of direct sensory experiences.
2. The unit should provide for some free, informal association of the pupils.
3. The unit should provide an opportunity for manipulatives or bodily activities.
4. The parts of the unit should make a coherent whole.
5. The unit should provide a considerable amount of pupil activity.
6. The unit should be satisfying, or the anticipating of the outcomes should be satisfying.
7. The unit should provide sufficient concrete and illustrative material.
8. The unit of work should have a useful purpose in the present or future life of the pupil.
9. The unit should reproduce actual life situations as closely as possible.
10. The unit should utilize materials as they occur in life.
11. The unit should contain accurate information.
12. The unit should provide an opportunity for the pupil to originate, plan, and direct the activity as far as possible.
13. The unit should provide opportunities to judge, choose, and evaluate.
14. The unit should be within the time available for the unit.
15. The exposition should be clear enough to make it possible for a new teacher to put the unit into practice if she so desires.
16. The unit should state clearly where materials may be obtained.
17. When references are given, they should be clear and exact.

Grade Placement—Eleventh Grade

Time Allotment—Nine Weeks

Central Theme—Small Business Bookkeeping

Objectives

The Combined Cash Journal

Small Business Bookkeeping

A. Knowledge and Understanding of:

1. The combined cash journal and the petty cash book—Adapting the books to the needs of the business
2. Special accounting problems—Problems relating to sales and purchases
3. Payroll records—Accounting for the payroll
4. Bad debts and accounts receivable—The problem of selling on account
5. Depreciation of a fixed asset—Accounting for fixed assets
6. Accounting for cash—The use of the cash register

B. Attitudes toward:

1. Time-saving procedures
2. Special problems that arise
3. Keeping supplemental records because of laws
4. Credit as an economic stabilizer
5. Depreciation
6. The cash register's place in bookkeeping

C. Habits of:

1. Saving time
2. Being accurate
3. Having the supplemental information required by law
4. Studying special problems
5. Using the cash register as a bookkeeping aid

D. Appreciations for:
   1. Time-saving devices
   2. Payroll records as an aid in bookkeeping
   3. Use of bad debts to decrease losses
   4. Depreciation with its problems
   5. Aids given on cash register tapes

Approaches

The Combined Cash Journal

Small Business Bookkeeping

1. Obtain a cash register and let the pupils actually make entries on it.
2. Have the pupils arrange the typewriters in the commercial room in order of their age and try to determine how much each one is worth, as an introduction to depreciation.
3. Secure and display some cash register tapes from different businesses. Display them so that the differences are emphasized.
4. Encourage the pupils to discuss any experiences that they may have had with the use of the cash register.
5. Encourage the pupils to discuss any experiences that they may have had with their cars wearing out.

Study Guide No. 1

The Combined Cash Journal and the Petty Cash Book

Adapting the Books to the Needs of the Business

1. What journals are combined to make up the combined cash journal?
2. In what way is the description in the combined cash journal different from
the description in the general journal?

3. How are the totals in the combined cash journal transferred to a new page?

4. How is the combined cash journal proved?

5. Describe the principle involved in proving the combined journal.

6. In what respects is the posting from the combined cash journal the same as from the general journal?

7. In what respects is the posting from the combined cash journal different from that of the general journal?

8. When is the general ledger column of the combined cash journal posted?

9. When are the other columns of the combined cash journal posted?

10. How is the posting of the general ledger column of the combined cash journal indicated?

11. How is the posting of the other columns of the combined cash journal indicated?

12. How do you indicate that you have posted the customers' accounts from the combined cash journal?

13. How do you indicate that you have posted the creditors' accounts from the combined cash journal?

14. How do the adjusting and closing entries in the combined cash journal differ from the same entries in the general journal?

15. Give the purpose of the petty cash fund.

16. What entry is made to establish the petty cash fund?

17. Explain the process of replenishing the petty cash fund.

18. How is the petty cash book balanced and ruled?

19. Define the following terms:
   a. combined cash journal
   b. petty cash book
c. petty cash fund

d. petty cash voucher

e. replenishing the petty cash fund

f. voucher

References


Subject Matter No. 1

The Combined Cash Journal and the Petty Cash Book
Adapting the Books to the Needs of the Business

I. The combined cash journal

A. Definition

B. Use of

1. Facilitates accounting
   a. All original entries in one book
   b. Posting is reduced

2. Combines books of original entry into one journal
   a. Purchases journal
   b. Sales journal
   c. Cash receipts journal
   d. Cash payments journal
   e. General journal

C. Form used

1. Column for each account

2. Usually contained on a double page
D. Making entries

1. Read the transaction
   a. Determine the accounts affected
   b. Analyze the entry
2. Debit appropriate accounts
3. Credit appropriate accounts
4. Exceptions
   a. Accounts affected for which no column is provided
   b. Adjusting entries
   c. Closing entries

E. Forwarding totals to a new page

1. Importance of accuracy in addition
2. Importance of accuracy in carrying totals forward

F. Posting from

1. General ledger columns
   a. Posted as entry is made
   b. Importance of post reference
2. Other columns
   a. Posted only as totals
   b. Post reference
      (1) Importance of
      (2) Method of

G. Footing and Proving

1. Fundamental rule of bookkeeping
2. May be proved on any day
   a. Debits equal credits
   b. Each entry must balance
3. All footing is done with small pencil figures

H. Ruling

II Petty cash fund

A. Definition

B. Use of

C. Method of accounting for

1. Petty cash voucher
   a. Number of voucher
   b. Date of payment
   c. To whom paid
   d. Purpose of payment
   e. Amount of payment
   f. Approval for payment

2. Petty cash book
   a. Definition
   b. Use of
      (1) Record of all payments from petty cash
      (2) Itemizes payments as to purpose
   c. Method of recording expenditures
      (1) Each voucher is numbered
      (2) Each expenditure is dated
      (3) Amount of expenditure is recorded
         (a) As a total
         (b) Itemized as to expenditure

D. Relationship of the petty cash fund to the combined cash journal

1. Setting up the petty cash fund
   a. Only one entry made to petty cash account in ledger
b. Account changed only when amount is increased or decreased

2. Replenishing the petty cash fund
   a. Method of
   b. Importance of replenishing fund at the end of the fiscal period

Activities No. 1
The Combined Cash Journal and the Petty Cash Book
Adapting the Books to the Needs of the Business

1. Have a review of the material studied in Unit II.
2. Discuss the advantages of combining the books of original entry into one book.
3. Display as many different types of combined cash journals as you can find in use in your community.
4. Compare the use of the combined cash journal with the use of the special journals studied in Unit II.
5. Study and discuss the illustrations in the textbook.
6. Have the pupils complete the following exercises:
   Exercise 36, page 225
   Exercise 37, page 241
7. Discuss the completed exercises.

Correlations No. 1
The Combined Cash Journal and the Petty Cash Book
Adapting the Books to the Needs of the Business

Arithmetic:

Addition and subtraction of numbers with controlled totals
Cross addition with controlled totals
Economics:

Discuss the value of reducing overhead expenses.

Language:

Class discussion.

Reading:

Read the subject matter in your textbook.

Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

- cash register
- detailed audit strip
- grand total
- petty cash book
- petty cash fund
- voucher

Work Sheet No. 1

The Combined Cash Journal and the Petty Cash Book

Adapting the Books to the Needs of the Business

In the space provided at the left of each statement, indicate whether the statement is true or false.

1-3 When the debit of a cash payment transaction cannot be recorded in one of the special columns, the transaction is recorded by writing the

   1. name of the account to be debited in the general ledger column.
2. amount of the debit in the general ledger column.

3. amount of the credit in the cash column.

4-6. Each purchase on account is recorded by writing the

4. name of the creditor in the description column.

5. amount of the debit in the purchases column.

6. amount of the credit in the accounts receivable column.

7-9. Each cash sale is recorded by writing

7. a brief explanation in the sales column.

8. the debit amount in the cash column.

9. the credit amount in the sales column.

10-12. Each sale on account is recorded by writing

10. a brief description in the explanation column.

11. the debit amount in the cash column.

12. the credit amount in the sales column.

For each of the transactions given below, indicate the accounts affected by writing the proper account title of each account affected in the space provided.


13. Debit ______ 14. Credit ______


15. Debit ______ 16. Credit ______

17-18. Received cash on account.

17. Debit ______ 18. Credit ______

19-20. Issued a check to the Smith Company in full of invoice of June 1.

19. Debit ______ 20. Credit ______

21-22. Sold merchandise on account to Mr. A. R. Knight.

21. Debit ______ 22. Credit ______

23. Debit _____ 24. Credit _____


25. Debit _____ 26. Credit _____


27. Debit _____ 28. Credit _____

29-30. Paid the rent for the building.

29. Debit _____ 30. Credit _____

Key to Work Sheet No. 1

The Combined Cash Journal and the Petty Cash Book

Adapting the Books to the Needs of the Business

1. false 11. false 21. Accounts Receivable
2. true 12. true 22. Sales
3. true 13. Purchases 23. Cash
5. true 15. Purchases 25. Supplies
7. false 17. Cash 27. Salary Expense
9. true 19. Accounts Payable 29. Rent Expense

Study Guide No. 2

Special Accounting Problems

Problems Relating to Sales and Purchases

1. Are transportation costs and delivery costs the same?
2. Give the entry that is required to record a transaction in which merchandise is returned by a charge customer.

3. Give the entry that is required to record a transaction in which an allowance for defective merchandise is received by the business.

4. Give the entry that is required to record transportation on a purchase.

5. Why are sales discounts given?

6. Why are purchases discounts given?

7. Explain how sales discounts and purchases discounts are calculated.

8. How are the following accounts classified on the profit and loss statement:
   a. purchases returns and allowances?
   b. sales returns and allowances?
   c. transportation on purchases?
   d. discounts on purchases?
   e. discounts on sales?

9. Discuss the effect of the sales allowances on income.

10. Discuss the effect of the purchases allowance on the cost of sales.

11. Discuss the effect of transportation on purchases on the cost of sales.

12. Describe the forms used to notify customers of allowances that have been given.

13. How do the forms used in question twelve differ from the forms you receive from your creditors when you are given an allowance on your purchases?

14. Define the following terms:
   a. cash discount
   b. credit memorandum
   c. discount on purchases
   d. discount on sales
   e. purchases allowance
f. purchases return

g. sales allowance

h. sales return

i. voucher

References


Subject Matter No. 2

Special Accounting Problems

Problems Relating to Sales and Purchases

I. Sales

A. Sales returns and allowances

1. Definition

   a. Sales returns

   b. Sales allowances

2. Effect on income

3. Form used

4. Method of recording

B. Sales discounts

1. Definition

2. Terminology
II Purchases

A. Purchases returns and allowances
   1. Definition
      a. Purchases returns
      b. Purchases allowances
   2. Effect on cost of sales
   3. Forms used
   4. Method of recording

B. Transportation on purchases
   1. Definition
   2. As distinguished from delivery expense
   3. Effect on cost of sales
   4. Method of recording

C. Purchase discounts
   1. Definition
      a. Trade discount
      b. Cash discount
   2. Effect on income
   3. Forms used
   4. Terminology
   5. Method of recording

Activities No. 2

Special Accounting Problems

Problems Relating to Sales and Purchases
1. Display the combined cash journal.

2. Secure and display some copies of credit memorandums.

3. Discuss the possibility of having returned sales.

4. Discuss the possibility of having returned purchases.

5. Discuss the advantages of giving and taking cash discounts.

6. Discuss the effect of the following on the balance sheet and the profit and loss statement:
   - Returned sales and allowances
   - Returned purchases and allowances
   - Cash discounts on sales
   - Cash discounts on purchases

7. Have the pupils complete the following exercises:
   - Exercise 38, page 241
   - Exercise 39, page 242

8. Discuss the completed exercises.

Correlations No. 2

Special Accounting Problems

Problems Relating to Sales and Purchases

Arithmetic:

Have the pupils complete problems dealing with cancellations.

Have the pupils complete problems dealing with the multiplication of decimals.

Economics:

Discuss the topic: "Credit Control"

Language:

The pupils will take part in the discussion of the special topic.
Class discussion.

Reading:
Read the subject matter in the textbook.
Read as many of the suggested readings as you can.

Spelling and Vocabulary:
Learn the meaning of the following terms:
Learn to spell the following terms:
cash discount
credit memorandum
discount on purchases
discount on sales
purchases allowances
purchases returns
sales allowances
sales returns

Worksheet No. 2
Special Accounting Problems
Problems Relating to Sales and Purchases

Select from the first column the word or words that best complete the statement in the second column and place the letter designation in the space provided for it in the second column.

| A. credit memorandum | 1. The ______ provides written authority to record a purchase. |
| B. discount on purchases | 2. The ______ is used in maintaining a record of petty cash transactions. |
| C. discount on sales | 3. Merchandise that is returned by a |
F. other expenses customer is referred to as _____.
G. other income 4. An allowance received by a business
H. petty cash book because of defective merchandise is
I. purchases allowances referred to as _____.
J. purchases returns 5. A cash discount allowed a buyer is
K. sales returns known as a _____ on the books of
L. voucher the buyer.

6. A cash discount allowed a buyer is known as a _____ on the books of
the seller.

7. The _____ is found by subtracting the operating expense from the gross
profit on sales.

8. The _____ is the cash discount that we subtract from our purchase
invoices.

9. Discount on sales is listed on the profit and loss statement under the
heading of _____.

In the space provided at the left of each statement indicate whether the state-
ment is true or false.

10. It is desirable to write a check even though the payment is very small.

11. It is desirable to set up a special fund for the payment of small
amounts.

12. A petty cash voucher is used as a receipt for the payment of cash.

13. The petty cash book is posted directly to the ledges.

14. The petty cash fund should be replenished at the end of each fiscal
period.
15. If merchandise is returned by a customer, the sales returns and allowances account is credited.

16. If merchandise is returned to a creditor, the purchases returns and allowances account is credited.

17. A column is added to the combined cash journal for purchases returns and allowances if you receive them frequently.

18. 2/10, n/20 means that you will receive 2 per cent discount if you pay the invoice within ten days of the date of the invoice.

19. Discount on purchases is an income.

20. Discount on sales is an expense.

21. Purchases returns are subtracted from the purchases to find the cost of sales.

22. Sales returns decrease the net profit of a business.

23. Cash discounts are normally expressed as a percentage of the invoice.

Key to Work Sheet No. 2

Special Accounting Problems

Problems Relating to Sales and Purchases

4. I 10. false 16. true 22. true
5. B 11. true 17. true 23. true
6. C 12. true 18. true

Study Guide No. 3

Payroll Records

Accounting for the Payroll
1. What part does the employer play in aiding the government collect Federal income taxes?

2. Give and explain the two principal provisions of the Social Security Act.

3. When are you eligible to collect social security provided you are under social security?

4. How does the government raise the funds with which to pay the social security benefits?

5. Explain the entry required to record the payment of the wages.

6. How is the employer's share of the social security taxes recorded in his books?

7. Who pays the unemployment compensation taxes?

8. Give the entry required to record the state and the Federal unemployment taxes.

9. Do the taxes of a sole proprietorship business appear on the books?

10. How would taxes for income be shown on a sole proprietorship's books?

11. What entry would be made to show property taxes on a business?

12. Why should property taxes be shown on the business' books and income taxes not be shown?

13. Define the following terms:
   a. annuities
   b. payroll taxes
   c. pensions
   d. property taxes
   e. sales tax
   f. social security taxes

References


Sherwood and Boling, College Accounting, pp. 437-458.

Slaughter, Business Education Forum, December, 1950, pp. 11-12; 24.


Subject Matter No. 3

Payroll Records

Accounting for the Payroll

I Payroll taxes

A. Income taxes withheld
   1. Predetermined amount withheld
   2. A liability to the employer

B. Social security taxes withheld
   1. Classification
      a. Old age benefits
      b. Federal unemployment tax
      c. State unemployment tax

II Accounting for the payroll

A. The social security card
   1. Importance of having the card
   2. Importance of accuracy in recording the number

B. The employee's time card
   1. Accurate record of employee's time
2. Use of time clocks

3. Determining the employee's earnings from the card
   a. Number of hours at regular time
   b. Number of hours of overtime

C. The payroll register
   1. Definition
   2. Use of
   3. Form of
      a. Numerous forms used
      b. Essential information
         (1) Period for which paid
         (2) Employee's name
         (3) Number of tax exemptions
         (4) Total earnings
         (5) Deductions
         (6) Net earnings

D. Record of Employee's earnings
   1. Definition
   2. Use of
   3. Forms of
      a. Numerous forms used
      b. Essential information
         (1) Duplicate of payroll register
         (2) Made for individual employee

III Methods of paying the payroll
   A. Check
      1. Drawn from regular bank account
2. Drawn from a special payroll account

B. Cash

1. Securing money from the bank
   
a. Payroll change sheet
      
      (1) Definition
      
      (2) Use of
      
      (3) Forms of
         
         (a) All forms essentially the same
         
         (b) Essential information
         
      (4) Preparation of
   
   b. Payroll requisition
      
      (1) Definition
      
      (2) Use of
      
      (3) Forms of
         
         (a) All forms essentially the same
         
         (b) Essential information

2. Payroll receipt
   
   a. Definition
   
   b. Use of
   
   c. Forms of
      
      (1) All forms essentially the same
      
      (2) Essential information
         
         (a) Name of employee
         
         (b) Payroll number
         
         (c) Social security number
         
         (d) Pay period
         
         (e) Hours worked
(f) Gross earnings

(g) Deductions

(h) Net pay

(i) Signature of person receiving payment

d. Preparation of

IV Recording of the payroll in the permanent records

A. Journal

1. Equality of debits and credits
   a. Debit—Salary Expense
   b. Credit
      (1) Social security taxes payable
      (2) Federal income taxes payable
      (3) Cash

2. Liability accounts
   a. Employer's share for social security taxes
   b. Employee's share for social security taxes
   c. Employees' income tax withheld
   d. State unemployment taxes payable

3. Payment of tax liability

B. Ledger

1. Liability accounts set up
2. Classification of payroll accounts

C. Reports required from employer

1. Federal government
2. State government
3. Employee

Activities No. 3
Payroll Records
Accounting for the Payroll

1. Discuss briefly the provisions of the laws of taxation as applied to business.
2. Review the terminology of taxation.
3. Illustrate on the blackboard the method of accounting for payroll taxes.
4. Display on the bulletin board the forms that the government requires each employer to complete and file.
5. Display a social security card with the form required for the employee.
6. Have the pupils study the illustrations in the textbook.
7. Have the pupils complete the following exercises:
   - Exercise 40, page 253
   - Exercise 41, page 253
   - Exercise 42, page 254
8. Discuss the completed exercises.

Correlations No. 3
Payroll Records
Accounting for the Payroll

Arithmetic:

Have the pupils compute property taxes.

Have the pupils compute income taxes.

Economics:

Have each pupil write a report on one of the following topics:

"Taxes with Their Implications"

"Sources of Taxation"

"Benefits Derived from Taxes"
Language:
Class discussion.

Reading:
The pupils will read their special reports.
Read the required subject matter from the textbook.
Read as many of the suggested readings as you can.

Spelling and Vocabulary:
Learn the meaning of the following terms:
Learn to spell the following terms:
- annuities
- payroll taxes
- pensions
- property taxes
- sales tax
- social security taxes

Work Sheet No. 3
Payroll Records
Accounting for the Payroll

For each of the transactions given below, indicate the accounts affected by writing the proper account title of each account in the space provided.

1-4. Paid salaries, less legal tax deductions, to your employees.
   1. Debit _______  2. Credit _______
   3. Credit _______  4. Credit _______

5-6. Recorded the employer's share of the social security taxes.
   5. Debit _______  6. Credit _______

7-8. Paid the social security liability.
7. Debit ______ 8. Credit ______

9-10. Paid the quarterly installment for income taxes withheld from employees.

9. Debit ______ 10. Credit ______

11-12. Paid the proprietor's personal income tax.

11. Debit ______ 12. Credit ______

In the space provided at the left of each statement indicate whether the statement is true or false.

_____ 13. An income tax return is used to report the amount of income tax you are obligated to pay.

_____ 14. The amount of social security taxes to be paid by any employee is determined by agreements between the labor unions and the employer.

_____ 15. The taxes on real property is called income tax.

_____ 16. A sales tax is a tax on the sales a business makes and is not to be collected from the customer.

_____ 17. If the owner of a business pays his income tax from the assets of the business, you would debit his drawing account.

_____ 18. Any tax imposed under the social security regulations is referred to as social security taxes.

_____ 19. Federal unemployment taxes are payable monthly.

_____ 20. Taxes withheld from employees and later paid from the assets of the business are recorded as expense.

Key to Work Sheet No. 3

Payroll Records

Accounting for the Payroll

1. Salaries or Wages 11. Proprietor's Drawing

2. Cash 12. Cash
4. Social Security Taxes Payable 14. false
5. Social Security Taxes 15. false
7. Social Security Taxes Payable 17. true
8. Cash 18. true
10. Cash 20. false

Study Guide No. 4

Bad Debts and Accounts Receivable

The Problem of Selling on Account

1. How can a merchant obtain information about the credit rating of his prospective charge customers?
2. How can a retailer obtain information about the credit rating of his prospective charge customers?
3. Why should the accounts receivable accounts be evaluated at the end of each fiscal period?
4. Explain how losses from bad debts are estimated.
5. Why is a reserve account set up for the estimated losses from bad debts instead of deducting the estimated losses from the accounts receivable account?
6. Explain why the reserve for bad debts account is called a valuation account.
7. When are additions to the reserve for bad debts account made?
8. Explain how the amount to be added to the reserve for bad debts is determined.
9. Explain how the adjustment is made on the work sheet.
10. What is the effect of bad debts on the profit and loss statement?
11. What is the effect of bad debts on the balance sheet?
12. In what section of the profit and loss statement is the estimated loss from bad debts listed?
13. In what section of the balance sheet is the estimated loss for bad debts reported?
14. When should a customer’s account be written off the books?
15. Explain the process of writing off an account receivable.
16. Define the following terms:
   a. bad debts
   b. valuation account

References

Carlson, Forkner, and Prickett, 20th Century Bookkeeping and Accounting, pp. 255-266.
Sherwood and Boling, College Accounting, pp. 495-506.

Subject Matter No. 4
Bad Debts and Accounts Receivable

I Selling on account

A. Advantages
   1. Increases sales
   2. Accommodates customers
B. Disadvantages
   1. Some customers will not pay their debts
   2. Added cost for accounting

II. Accounts receivable

A. Definition

B. Accounts receivable as a valuation account
   1. Collectable accounts
   2. Uncollectable accounts—bad debts

C. Establishing the allowance for bad debts
   1. Actual account of bad debts
   2. Estimated account of bad debts
      a. Percentage of charge sales method
      b. Percentage of total sales method

D. Adjustment of allowance for bad debts
   1. Reason for making adjustment
   2. Entries required to make the adjustment
      a. Originate on work sheet
      b. Entry in journal
         (1) Debit—bad debts expense
         (2) Credit—reserve for bad debts
   3. Relationship to profit and loss statement
   4. Relationship to balance sheet

E. Writing off bad debts
   1. Determining an account to be a bad debt
   2. Entries to be made
   3. Posting the entries

Activities No. 4
Bad Debts and Accounts Receivable

The Problem of Selling on Account

1. Discuss granting of credit to customers.
2. Discuss the possibility of accounts being uncollectable.
3. Discuss the influence of bad debts on the financial statements.
4. Have the pupils study the illustrations in the textbook.
5. Discuss writing off of uncollectable accounts.
6. Have the credit bureau representative talk to the class about the work of the credit bureau.
7. Have the pupils complete the following exercises:
   Exercise 43, page 265.
   Exercise 44, page 266
8. Discuss the completed exercises.

Correlations No. 4

Bad Debts and Accounts Receivable

The Problem of Selling on Account

Arithmetic:

Have the pupils complete problems on installment buying.

Economics:

Have the pupils give individual reports on one of the following topics:

"Value of Credit"
"Agencies Controlling Credit"
"How to Reduce Bad Debts"

Language:

The pupils will give their individual reports.

Class discussion.
Reading:

Read the subject matter in the textbook. Outside reading for the reports must be done.

Spelling and Vocabulary:

Learn the meaning of the following terms:
Learn to spell the following terms:
- bad debts
- valuation accounts

Work Sheet No. 4

Bad Debts and Accounts Receivable
The Problem of Selling on Account

In the space provided at the left of each statement indicate whether the statement is true or false.

1. The balance of the accounts receivable account needs to be evaluated at the end of each fiscal period.

2. The estimated real value of the accounts receivable account is the balance of the accounts receivable account.

3. The balance of the accounts receivable account represents the total amount owed to creditors.

4. The estimated amount of the uncollectable accounts is shown on the balance sheet as a deduction from the balance of the accounts receivable account.

5. The estimated amount of the uncollectable accounts receivable is listed on the balance sheet as accounts receivable.

6. The difference between the balance of the accounts receivable account and the balance of the reserve for bad debts account equals the
amount expected to be collected from the accounts receivable.

7. The accounts receivable account normally has a debit balance.

8. The accounts receivable account is classified as a liability.

9. When you adjust the accounts receivable account for bad debts, you debit the bad debts account.

10. The accounts receivable account is credited when the estimated bad debts are adjusted from it.

11. The reserve for bad debts is debited when an account is written off.

12. The bad debt account is classified as an asset.

13. The bad debt account will have a debit balance during the accounting period.

14. The bad debt account will have a debit balance after the books are closed.

15. The reserve for bad debts account is classified as a minus asset account.

16. The bad debts account will appear on the post-closing trial balance.

Fill in the blank spaces with the word or phrase that will best complete the following statements.

17. Most of the sales made by wholesale houses are ______ sales.

18. The balance of the accounts receivable account represents the total amount ______ to us by the customer.

19. The accounts receivable account will normally have a ______ balance.

20. The accounts receivable account is classified as an ______ account.

Key to Work Sheet No. 4

Bad Debts and Accounts Receivable

The Problem of Selling on Account
Study Guide No. 5
Depreciation of a Fixed Asset
Accounting for Fixed Assets

1. Give several examples of fixed assets.
2. Name the principal factors used in calculating depreciation.
3. Why is the amount of depreciation recorded always an estimated figure?
4. Explain the use of a card record in accounting for fixed assets.
5. Why is the reserve for depreciation account set up rather than crediting the fixed asset account for the decrease in value?
6. When is depreciation on fixed assets recorded?
7. Explain why the reserve for depreciation is referred to as a valuation account.
8. Explain the adjustment entry necessary to record depreciation.
9. What is the effect of depreciation on the profit and loss statement?
10. What is the effect of depreciation on the balance sheet?
11. Explain the disposition of a fixed asset.
12. Define the following terms:
   a. book value
   b. depreciation
   c. fixed asset
   d. loss on fixed assets
e. profit on fixed assets
f. rate of estimated depreciation
g. reserve for depreciation

References


Subject Matter No. 5
Depreciation of a Fixed Asset
Accounting for Fixed Assets

I Fixed assets

A. Classification

1. Definition
2. Designation

B. Buying fixed assets

1. Method of buying
   a. Cash
   b. Bought on account

2. Buying of fixed assets as distinguished from purchase
II Depreciation of fixed assets

A. Definition

B. Reasons for decreases in value
   1. Wear and passing of time
   2. New models outmoded old ones

C. As an operating expense

D. Calculating depreciation
   1. Necessary information
      a. Cost
      b. Estimated life
   2. Formula for figuring depreciation
      a. Money value—Cost divided by life equals depreciation
      b. Percentage value—Depreciation divided by cost

E. Recording depreciation
   1. Card record for each item
      a. Purpose
      b. Information given on card
         (1) Name of item
         (2) Description of item
         (3) Date of purchase
         (4) Cost of item
         (5) Estimated life
         (6) Annual rate of depreciation
   2. Entries in the journal
      a. Set up account for reserve for depreciation
      b. Set up account for depreciation expense
   3. Entries on work sheet
a. Adjustment made for estimated depreciation
b. Total reserve for depreciation shown on the balance sheet
c. Estimated depreciation expense for the period shown on the profit and loss statement

III Disposition of fixed assets
A. Methods of disposition
   1. Discarding
   2. Selling
   3. Trading in
B. Recording disposition
   1. Determine book value
   2. Determine profit or loss on disposition
   3. Entry required in journal
C. Effect of disposition on profit and loss statement
   1. Increase profit—listed as other income
   2. Increase losses—listed as other expense

   Activities No. 5
   Depreciation of a Fixed Asset
   Accounting for Fixed Assets

1. Visit a business in your community and have the proprietor show you the fixed assets of his business.
2. Compare the fixed assets of the business you visited with the fixed assets of some other business.
3. Discuss the relationship between the fixed assets and the current assets.
4. Discuss the problem of fixed assets wearing out.
5. Discuss the problem of fixed assets becoming obsolete.
6. Present the valuation account on the black board with its relation to the fixed asset account.
7. Compare the valuation account for the fixed asset account with the valuation account for the accounts receivable account.
8. Discuss the fundamental principles for depreciation.
9. Figure the depreciation of a fixed asset on the blackboard.
10. Discuss the disposition of a fixed asset.
11. Have the pupils complete the following exercises:
   - Exercise 45, page 279
   - Exercise 46, page 279
   - Exercise 47, page 280
12. Discuss the completed exercises.

Correlations No. 5
Depreciation of a Fixed Asset
Accounting for Fixed Assets

Arithmetic:

Use percentage to calculate depreciation.
Division of mixed numbers and decimals.

Economics:

Discuss the topic: "Federal Control of Rates of Depreciation."

Languages:

The pupils will participate in the discussion of the special topic.
Class discussion.

Reading:

Read the subject matter in the textbook.
Read as many of the suggested readings as you can.
Spelling and Vocabulary:
Learn the meaning of the following terms:
Learn to spell the following terms:
book value
depreciation
fixed assets
loss on fixed asset
profit on fixed asset
rate of estimated depreciation
reserve for depreciation

Work Sheet No. 5
Depreciation of a Fixed Asset
Accounting for Fixed Assets

Fill in the blanks with the word or phrase that will best complete the following statements.
1. The estimated present value of a fixed asset is called the _____.
2. The decrease in book value of a fixed asset because of wear and the passing of time is recorded as _____.
3. The balance of the fixed asset account less the reserve for depreciation is equal to the _____.
4. The reserve for depreciation account for any fixed asset is known as a _____ account.
5. The amount of the estimated depreciation of a fixed asset account is debited to an _____ account.
6. The amount of the estimated depreciation of a fixed asset account is credited to a _____ account.
7. If a fixed asset is sold for more than the book value, a _____ is realized.

8. If a fixed asset is sold for less than the book value, a _____ is realized.

9. The profit realized from the sale of a fixed asset is reported on the profit and loss statement as _____.

10. The loss realized from the sale of a fixed asset is reported on the profit and loss statement as _____.

In the space provided at the left of each statement indicate whether the statement is true or false.

11. A fixed asset is an asset that will be used for more than one fiscal period in the operation of the business.

12. Using a current asset will cause it to decrease in value.

13. The equipment account will show the original cost of the equipment.

14. A reserve account is also known as a valuation account.

15. Depreciation on fixed assets is considered as an income to the business.

16. The estimated amount for depreciation for a fixed asset is debited to an expense account at the end of each fiscal period.

17. The estimated amount for depreciation for a fixed asset is credited to a valuation account at the end of each fiscal period.

18. In estimating the depreciation on a fixed asset, no provisions are made for the possible scrap value of the fixed asset.

19. The depreciation expense account will have a debit balance after the books are closed.

20. It is not possible to have a valuation account that does not evaluate some fixed asset account.
Key to Work Sheet No. 5
Depreciation of a Fixed Asset
Accounting for Fixed Assets

1. book value  6. reserve  11. true  16. true
2. depreciation  7. profit  12. false  17. true
3. book value  8. loss  13. true  18. false
4. valuation  9. other income  14. true  19. false
5. expense  10. other expense  15. false  20. false

Study Guide No. 6
Accounting for Cash
The Use of the Cash Register

1. Explain why the cash register is used.
2. Why should the charge slip be inserted into the cash register to be printed with the amount of the charge sale?
3. Explain the sales slip method of accounting for accounts receivable.
4. Explain the subsidiary ledger method of accounting for accounts receivable.
5. The cash register tape or detailed audit strip contains the following symbols, explain each one:
   a. Ca
   b. Ch
   c. NS
   d. Pd
   e. Rc
6. Explain how the totals for the day’s business is obtained from the detailed audit strip.
7. How are cash overages recorded?
8. Explain the entries that are made from the information taken from the detailed audit strip.

9. How are cash shortages recorded?

10. Is there any advantage in recording all cash overages and cash shortages in one account?

11. Explain how a sales return for a charge sale is recorded.

12. Explain the different methods used for the purpose of accounting for accounts payable.

13. Define the following terms:
   a. cash register
   b. detailed audit strip
   c. grand total
   d. petty cash fund
   e. charge customer
   f. no sale

References


Horn, Business Education Forum, October, 1949, pp. 31; 42.


Sherwood and Boling, College Accounting, pp. 99-148.


Subject Matter No. 6

Accounting for Cash
The Use of the Cash Register

I Need of recording transactions quickly
   A. Volume of sales large
   B. Speed of recording
   C. Accuracy of recording
   D. Completeness of recording

II Use of the cash register
   A. Sorting and keeping money
   B. Recording sales
      1. Cash sales
         a. Cash register tape
         b. Furnishes information for journal entries
      2. Charge sales
         a. The sales slip
         b. The accounts receivable ledger
   C. Recording "no sale" transactions
      1. Cash received on account
      2. Making change
      3. Paid out

III As an aid to the bookkeeper
   A. Detailed audit strip
      1. Record of each transaction
         a. Number of transactions
         b. Amount of each transaction
         c. Nature of each transaction
      2. Obtaining cash register totals
         a. Totals are given for each type of transaction
b. Code used
   (1) GT—grand total
   (2) Pd—paid out
   (3) Rc—received
   (4) Ch—charge sale
   (5) Ca—cash sale
   (6) NS—no sale

3. Proving cash
   a. Cash in balance
   b. Cash out of balance
      (1) Cash over or short
      (2) Cash over and short vouchers
      (3) Use of petty cash to make up cash short

B. Paying money out of the cash register
   1. Paid out slips
      a. All paid out slips are paid in cash
      b. Amounts paid out are replaced with cash from petty cash
   2. Payment for returned sales
   3. Payment for purchases
   4. Payment for expense

IV Filing cash register information

A. All cash register information filed as a basis for bookkeeping entries

B. Files needed
   1. Detailed audit strips
   2. Charge sales slips
   3. Sales returns and allowances vouchers
   4. Purchase vouchers
5. Purchase returns and allowances vouchers
6. Cash over and short vouchers

Activities No. 6
Accounting for Cash
The Use of the Cash Register

1. Obtain a cash register to be used in the classroom. If it is not possible to have the cash register in the classroom, visit a business in your community that has one.
2. Let each pupil examine a cash register tape.
3. Discuss the possibilities of using the cash register as an accounting aid.
4. Have the pupils tell of their experiences with a cash register.
5. Discuss cash over as income.
6. Discuss cash short as expense.
7. Have a credit bureau representative visit the class to tell the purpose of the accounts receivable file and the paid invoice file in use in place of subsidiary ledgers.
8. Have the pupils study the illustrations in their textbooks.
9. Have the pupils complete the following exercises:
   Exercise 48, page 295
   Exercise 49, page 295
   Exercise 50, page 296
10. Discuss the completed exercises.

Correlations No. 6
Accounting for Cash
The Use of the Cash Register
Arithmetic:

Practice adding and subtracting decimals.

Adding numbers with controlled totals.

Economics:

Discuss the topic: "History of the Cash Register in Business"

Language:

The pupils will take part in the discussion of the special topic.

Class discussion.

Reading:

Read the subject matter in the textbook.

Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

- cash register
- detailed audit strip
- grand total
- petty cash fund
- charge customer
- no sale

Work Sheet No. 6

Accounting for Cash

The Use of the Cash Register

Select from the left-hand column the symbol that represents the transaction listed in the right-hand column and place the symbol in the space provided.

Ca 1. Amount received on account.
Ch    2. Cash sale.
GT    3. No sale.
Pd    4. Amount paid out.
NS    5. Charge sale.
Rc    6. Total of all cash received.
      7. Total of all cash paid out.
      8. Total of all charge sales.
      9. Total of all received on account.
     10. Total of all cash sales.

In the space provided at the left of each statement indicate whether the state-
ment is true or false.

11. The cash register is commonly used in business.
12. The cash register makes an immediate record of all cash transactions.
13. The cash register tape will give a detailed description of each item
    sold.
14. The change for use in the cash register is taken from the petty cash
    fund.
15. Any shortages in the cash on hand are recorded in the cash over and
    short account on the debit side.
16. Any overages in the cash on hand are recorded in the cash over and
    short account on the credit side.
17. If a file of the accounts receivable is maintained, a subsidiary
    ledger is unnecessary.
18. If a file of the paid and unpaid invoices is maintained, an accounts
    payable ledger is necessary.
19. A debit balance in the cash over and short account indicates a loss.
20. A credit balance in the cash over and short account is reported in
the profit and loss statement as other income.

Key to Work Sheet No. 6

Accounting for Cash

The Use of the Cash Register

3. NS  7. Pd  11. true  15. true  19. true

Culminating Activities

The Combined Cash Journal

Small Business Bookkeeping

1. Make a display of all the blank forms that have been used in this unit.

2. Make a display of the completed work of the three units studied so as to show the similarities and the differences in recording the same item.

3. Take the class on a field trip to a small business in your community; make notes on the similarities and the differences that are noted from the way the bookkeeping is taught in the classroom; and discuss each one in the following way:
   a. Does the method of bookkeeping used follow the cycle studied in Unit I, Unit II, or Unit III?
   b. Does the method of bookkeeping used follow any one of these cycles?
   c. Is the method used a combination of the methods learned?
   d. Does the bookkeeping system followed offer the proprietor all the information he needs in his business?

4. Have the pupils draw a chart that would best illustrate the bookkeeping
cycle as they understand it.

Desirable Outcomes
The Combined Cash Journal
Small Business Bookkeeping

A. Knowledge and Understanding of:

1. The combined cash journal
   a. Definition
   b. Purpose
      (1) Facilitates accounting
      (2) Combines books of original entry into one journal
   c. Forms used
   d. Making entries
      (1) Read the transaction
      (2) Debit appropriate accounts
      (3) Credit appropriate accounts
      (4) Exceptions
   e. Forwarding totals to a new page
   f. Posting
   g. Footing and proving
   h. Ruling

2. Petty cash fund
   a. Definition
   b. Purpose
   c. Method of accounting for
      (1) Petty cash voucher
      (2) Petty cash book
d. Relationship of the petty cash fund to the combined cash journal

3. Special problems relating to sales

a. Sales returns and allowances
   (1) Definition
      (a) Sales returns
      (b) Sales allowances
   (2) Effect on income
   (3) Forms used
   (4) Method of recording

b. Sales discounts
   (1) Definition
   (2) Terminology
   (3) Effect on income
   (4) Method of recording

4. Special problems relating to purchases

a. Purchases returns and allowances
   (1) Definition
      (a) Purchases returns
      (b) Purchases allowances
   (2) Effect on cost of sales
   (3) Forms used
   (4) Method of recording

b. Transportation on purchases
   (1) Definition
   (2) Effect on cost of sales
   (3) Method of recording

   c. Purchases discount
(1) Definition
(2) Terminology
(3) Effect on cost of sales
(4) Method of recording

5. Payroll taxes
   a. Income taxes withheld
   b. Social security taxes withheld

6. Accounting for the payroll
   a. The social security card
   b. The employees' time card
   c. The payroll register
      (1) Definition
      (2) Purpose
      (3) Forms used
      (4) Record of employees' earnings

7. Methods of paying the payroll
   a. Check
   b. Cash

8. Payroll receipts
   a. Definition
   b. Purpose
   c. Form of
   d. Preparation

9. Recording the payroll in the permanent records
   a. Journal
   b. Ledger
   c. Reports required from the employer
10. The problem of selling on account
   a. Advantages
   b. Disadvantages

11. Accounts receivable
   a. Definition
   b. Accounts receivable as a valuation account
   c. Establishing the allowance for bad debts
   d. Adjusting the accounts receivable for bad debts
   e. Writing off uncollectable accounts

12. Fixed assets
   a. Classification
   b. Buying fixed assets

13. Depreciation of fixed assets
   a. Definition
   b. Reasons for decrease in value
   c. Effect on profit and loss statement
   d. Calculation of depreciation
   e. Recording depreciation
      (1) Card record for each item
      (2) Entries in the journal
      (3) Entries on the work sheet

14. Disposition of fixed assets
   a. Methods of disposition
      (1) Discarding
      (2) Selling
      (3) Trading in
   b. Recording disposition
   c. Effect of disposition on profit and loss statement
15. Need of recording transactions quickly
16. Use of the cash register
   a. Sorting and keeping money
   b. Recording sales
   c. Recording "No Sale" transactions
17. Detailed audit strip
   a. Record of each transaction
   b. Obtaining cash register totals
   c. Proving cash
18. Paying money out of the cash register
19. Filing cash register information

B. Attitudes toward:
   1. Facilitating accounting with the use of the combined cash journal
   2. The change in making entries from the method taught in other units
   3. The accuracy required in forwarding figures to a new page
   4. Proving the combined cash journal
   5. The use of the petty cash fund
   6. The relationship of the petty cash book to the combined cash journal
   7. A customer's returning merchandise
   8. The use of sales discounts to encourage payments on account
   9. The right to return unsatisfactory merchandise that you have bought
10. The recording of transportation on purchases
11. The use of purchases discounts by your creditors
12. The employer's being a tax collector
13. The extra accounting required to record withheld income taxes
14. The extra accounting required to record social security taxes
15. The importance of paying employees on time
16. Paying employees by check
17. Paying employees with cash
18. Maintaining records of payroll receipts
19. Credit as a means of stimulating business
20. People who do not pay their bills
21. The writing off of bad debts
22. The classification of assets
23. Depreciation as a business expense
24. The disposition of fixed assets
25. Effect of the disposition of fixed assets on the profit and loss statement
26. Recording transactions quickly on the cash register
27. The cash register as an aid to the bookkeeper
28. Codes used in recording transactions on the cash register
29. Proving the cash balance with the cash register
30. Filing cash register information
31. Recording cash register information

C. Habits of:
1. Using the combined cash journal to facilitate accounting
2. Being accurate in making entries in the combined cash journal
3. Reading and analyzing each transaction
4. Using accuracy in forwarding totals to a new page
5. Footing and ruling the combined cash journal before posting
6. Proving and posting the combined cash journal
7. Using a petty cash fund
8. Auditing your petty cash fund
9. Recording each entry in your petty cash book correctly
10. Setting up your petty cash fund properly
11. Replenishing your petty cash fund at the end of each fiscal period
12. Encouraging sales by giving cash discounts
13. Accepting returned sales and giving proper allowances
14. Recording purchases returns and allowances
15. Distinguishing transportation on purchases from delivery expense
16. Increasing your income by taking purchases discounts
17. Keeping accurate records of payrolls with their deductions
18. Copying social security numbers correctly.
19. Keeping complete records of employees' earnings
20. Checking the credit rating of those people to whom you sell on account
21. Following good accounting principles in handling bad debts
22. Distinguishing the buying of fixed assets from purchases
23. Checking depreciation tables for allowable depreciation
24. Keeping a card record for each fixed asset
25. Disposing of fixed assets in the proper way
26. Learning to use your cash register correctly
27. Interpreting your daily audit strip
28. Obtaining receipts for paid out transactions
29. Recording and filing cash register information
30. Completing each transaction

D. Appreciations for:
   1. The combined cash journal as an aid to the bookkeeper
   2. The ease of proof in the combined cash journal
   3. The petty cash fund as a time-saving device
   4. The relationship between the petty cash book and the combined cash journal
5. The good will caused by using sales returns and allowances
6. The sales discount as a means of encouraging payments on account
7. The reduction in the cost of sales by returned purchases and allowances
8. The effect of purchases discounts on the income of the business
9. The ease of handling payroll records
10. The aid the bank offers in paying employees
11. The problem of selling on account
12. The solution to the problem of uncollectable accounts
13. The classification of assets
14. The depreciation expense pertaining to fixed assets with its problems
15. The disposition of fixed assets with its effect on the profit and loss statement
16. The use of the cash register in the accounting for cash
17. The use of the cash register as an aid to the bookkeeper
18. The ease of filing cash register information

Leads to Other Units

The Combined Cash Journal
Small Business Bookkeeping

Since bookkeeping is thought of as a continuous subject, the pupils should have gained knowledge that will help them to understand the following units:

Unit IV  Adapting Bookkeeping Methods to the Needs of the Business
Unit V  Useful Applications of Principles Studied

Teacher Evaluation

The Combined Cash Journal
Small Business Bookkeeping
To what extent does the unit:

1. Involve a variety of direct sensory experiences?
2. Provide for free informal association of pupils?
3. Provide an opportunity for manipulative or bodily activity?
4. Make a coherent whole?
5. Provide a considerable amount of pupil activity?
6. Produce satisfying outcomes?
7. Provide sufficient concrete and illustrative materials?
8. Have a useful purpose in the present and future life of the pupils?
9. Reproduce actual life situations as far as possible?
10. Utilize materials as they occur in life?
11. Contain some accurate material?
12. Provide opportunity for pupils to originate, plan, and direct activity as far as possible?
13. Provide opportunity to judge, choose, and evaluate?
14. End or lie within the available time?
15. Make it possible for a new teacher to put it into practice if she desires?
16. State clearly where materials may be obtained?
17. Give complete, exact references?

Pupil Test
Knowledge and Understanding Test
The Combined Cash Journal
Small Business Bookkeeping

In the space provided at the left of each statement indicate whether the statement is true or false.

1-3. When the debit of a cash payment transaction cannot be recorded in one of the special columns, the transaction is recorded by writing the

1. name of the account to be debited in the general ledger column.
2. amount of the debit in the general ledger column.
3. amount of the credit in the cash column.

4-6. Each purchase on account is recorded by writing the

4. name of the creditor in the description column.
5. amount of the debit in the purchase column.
6. amount of the credit in the accounts receivable column.

7-9. Each cash sale is recorded by writing

7. a brief explanation in the sales column.
8. the debit amount in the cash column.
9. the credit amount in the sales column.

10-12. Each sale on account is recorded by writing

10. a brief description in the explanation column.
11. the debit amount in the cash column.
12. The credit amount in the sales column.

13. It is desirable to write a check even though the payment is very small.

14. It is desirable to set up a special fund for the payment of small amounts.

15. A petty cash voucher is used as a receipt for the payment of cash.

16. The petty cash book is posted directly to the ledger.

17. The petty cash fund should be replenished at the end of each fiscal period.

18. If merchandise is returned by a customer, the sales returns and allowances account is credited.

19. If merchandise is returned to a creditor, the purchases returns and allowances account is credited.

20. A column is added to the combined cash journal for purchases returns and allowances if you receive them frequently.

21. 2/10 n/20 means that you will receive 2 per cent discount if you pay the invoice within ten days of the date of the invoice.

22. Discount on purchases is an income.

23. Discount on sales is an expense.

24. Purchases returns and allowances are subtracted from the purchases to find the cost of sales.

25. Sales returns decrease the net profit of a business.

26. Cash discounts are normally expressed as a percentage of the invoice.

27. An income tax return is used to report the amount of income tax you are obligated to pay.

28. The amount of social security taxes to be paid by any employee is determined by agreements between the labor unions and the employer.
29. The taxes on real property are called income taxes.

30. A sales tax is a tax on the sales a business makes and is not to be collected from the customer.

31. If the owner of a business pays his income tax from the assets of the business, you would debit his drawing account.

32. Any tax imposed under the social security regulations is referred to as social security taxes.

33. Federal unemployment taxes are payable monthly.

34. Taxes withheld from employees and later paid from the assets of the business are recorded as expense.

35. The balance of the accounts receivable account needs to be evaluated at the end of each fiscal period.

36. The estimated real value of the accounts receivable account is the balance of the accounts receivable account.

37. The balance of the accounts receivable account represents the total amount owed to creditors.

38. The estimated amount of the uncollectable accounts is shown on the balance sheet as a deduction from the balance of the accounts receivable account.

39. The estimated amount of the uncollectable accounts receivable is listed on the balance sheet as accounts receivable.

40. The difference between the balance of the accounts receivable account and the balance of the reserve for bad debts account equals the amount expected to be collected from the accounts receivable.

41. The accounts receivable account normally has a debit balance.

42. The accounts receivable account is classified as a credit.

43. When you adjust the accounts receivable account for bad debts, you
debit the bad debts account.

___ 44. The accounts receivable account is credited when the estimated bad debts are adjusted from it.

___ 45. The reserve for bad debts is debited when an account is written off.

___ 46. The bad debt account is classified as an asset.

___ 47. The bad debts account will have a debit balance during the accounting period.

___ 48. The bad debts account will have a debit balance after the books are closed.

___ 49. The reserve for bad debts account is classified as a minus asset account.

___ 50. The bad debts account will appear on the post-closing trial balance.

___ 51. A fixed asset is an asset that will be used for more than one fiscal period in the operation of the business.

___ 52. Using a current asset will cause it to decrease in value.

___ 53. The equipment account will show the original cost of all equipment.

___ 54. A reserve account is also known as a valuation account.

___ 55. Depreciation of fixed assets is considered as an income to the business.

___ 56. The estimated amount for depreciation for a fixed asset is debited to an expense account at the end of each fiscal period.

___ 57. The estimated amount for depreciation for a fixed asset is credited to a valuation account at the end of each fiscal period.

___ 58. In estimating the depreciation on a fixed asset, no provisions are made for the possible scrap value of the fixed asset.

___ 59. The depreciation expense account will have a debit balance after the books are closed.

___ 60. It is not possible to have a valuation account that does not
evaluate some fixed asset account.

61. The cash register is commonly used in business.

62. The cash register makes an immediate record of all cash transactions.

63. The cash register tape will give a detailed description of each item sold.

64. The change for use in the cash register is taken from the petty cash fund.

65. Any shortages in the cash on hand are recorded in the cash over and short account on the debit side.

66. Any overages in the cash on hand are recorded in the cash over and short account on the credit side.

67. If a file of the accounts receivable is maintained, a subsidiary ledger is unnecessary.

68. If a file of the paid and unpaid invoices is maintained, the accounts payable ledger is necessary.

69. A debit balance in the cash over and short account indicates a loss.

70. A credit balance in the cash over and short account is reported in the profit and loss statement as other income.

For each of the transactions given below, indicate the accounts affected by writing the proper account title for each account in the space provided.

71-72. Bought merchandise on account.
   71. Debit ______  72. Credit ______

73-74. Bought merchandise for cash.
   73. Debit ______  74. Credit ______

75-76. Received cash on account.
   75. Debit ______  76. Credit ______

77-78. Issued a check to the Smith Company in full of invoice of June 1.
77. Debit _____ 78. Credit _____
79-80. Sold merchandise on account to Mr. A. R. Knight.
  79. Debit _____ 80. Credit _____
81-82. Sold merchandise for cash.
  81. Debit _____ 82. Credit _____
83-84. Bought supplies on account from Keyes Supply Company.
  83. Debit _____ 84. Credit _____
85-86. Paid the rent for the building.
  85. Debit _____ 86. Credit _____
87-90. Paid salaries, less legal tax deductions, to your employees.
  87. Debit _____ 88. Credit _____
  89. Credit _____ 90. Credit _____
91-92. Recorded the employer's share of the social security taxes.
  91. Debit _____ 92. Credit _____
93-94. Paid the social security taxes liability.
  93. Debit _____ 94. Credit _____
95-96. Paid the quarterly installment for income taxes withheld from employees.
  95. Debit _____ 96. Credit _____
97-98. Paid the proprietor's personal income taxes.
  97. Debit _____ 98. Credit _____

Fill in the blank spaces with the word or phrase that will best complete the following statements.

99. Most of the sales made by wholesale houses are _____ sales.
100. The balance of the accounts receivable account represents the total amount _____ to us by the customers.
101. The accounts receivable account normally has a _____ balance.
102. The accounts receivable account is classified as an _____ account.
103. The estimated present value of a fixed asset is called the _____.

104. The decrease in book value of a fixed asset because of wear and the passing of time is called _____.

105. The balance of the fixed asset account less the reserve for depreciation is equal to the _____.

106. The reserve for depreciation account for any fixed asset is known as a _____ account.

107. The amount of the estimated depreciation of a fixed asset account is debited to an _____ account.

108. The amount of the estimated depreciation of a fixed asset account is credited to a _____ account.

109. If a fixed asset is sold for more than the book value, a _____ is realized.

110. If a fixed asset is sold for less than the book value, a _____ is realized.

111. The profit realized from the sale of a fixed asset is reported on the profit and loss statement as _____.

112. The loss realized from the sale of a fixed asset is reported on the profit and loss statement as _____.

Select from the first column the word or words that best completes the statement and place the letter designation in the space provided in the second column.

A. credit memorandum  ____113. The _____ provides written

B. discount on purchases  authority to record a purchase.

C. discount on sales  ____114. The _____ is used in maintaining

D. invoice  a record of petty cash transactions.

E. net profit from operations  ____115. Merchandise that is returned by a
F. other expenses  
G. other income  
H. petty cash book  
I. purchases allowances  
J. purchases returns  
K. sales returns  
L. voucher

customer is referred to as ____.

_116. An allowance received by a business because of defective merchandise is referred to as ______.

_117. A cash discount allowed a buyer is known as a ______ on the books of the buyer.

_118. A cash discount allowed a buyer is known as a ______ on the books of the seller.

_119. The ______ is found by subtracting the operating expenses from the gross profit = sales.

_120. The ______ is the cash discount that we subtract from our purchases invoices.

Key to Knowledge and Understanding Test

The Combined Cash Journal

Small Business Bookkeeping

1. false  41. true  
2. true  42. false  
3. true  43. true  
4. true  44. true  
5. true  45. true  
6. false  46. false  
7. false  47. false  
8. true  48. false

81. Cash  
82. Sales  
83. Supplies  
84. Accounts Payable  
85. Rent Expense  
86. Cash  
87. Salaries or Wages  
88. Cash
9. true 49. true
10. true 50. true
11. false 51. true
12. true 52. false
13. false 53. true
14. true 54. true
15. true 55. false
16. false 56. true
17. true 57. true
18. false 58. false
19. true 59. false
20. true 60. false
21. true 61. true
22. true 62. true
23. true 63. false
24. false 64. true
25. true 65. true
26. true 66. true
27. true 67. true
28. false 68. false
29. false 69. true
30. false 70. true
31. true 71. purchases
32. true 72. Accounts Payable
33. false 73. Purchases
34. false 74. Cash
35. true 75. Cash

89. Federal Income Taxes Payable
90. Social Security Taxes Payable
91. Social Security Taxes
92. Social Security Taxes Payable
93. Social Security Taxes Payable
94. Cash
95. Federal Income Taxes Payable
96. Cash
97. Proprietor's Drawing
98. Cash
99. credit
100. owed
101. debit
102. asset
103. book value
104. depreciation
105. book value
106. valuation
107. expense
108. reserve
109. profit
110. loss
111. other income
112. other expense
113. D
114. H
115. K
There are no correct answers to this test. If you agree with the following statements, write "agree" in the space provided; if you disagree with the following statements, write "disagree" in the space provided.

1. Keeping records in business is a waste of time.
2. You should understand why as well as how in bookkeeping.
3. It is not important to study bookkeeping because few people keep their books in the same way.
4. The balance sheet should be analyzed for the purpose of improving your business conditions.
5. All ledger entries could be made without using a book of original entry as authority.
6. Too much attention is paid to accuracy in bookkeeping.
7. It is permissible to erase in bookkeeping so long as you make neat erasures.
8. A well-arranged ledger is a time-saving device.
9. The work sheet is desirable in bookkeeping.
10. It is desirable to have the records show a true picture of a business.
11. A proprietor is not interested in whether his business is making a profit or a loss.

12. The teacher put too much stress on learning the bookkeeping equation.

13. All businesses do not keep records, therefore, keeping records is not necessary.

14. The combined cash journal should be proved everyday.

15. The use of sales discounts will encourage debtors to pay their bills.

Pupil Test

Habit Test

The Combined Cash Journal

Small Business Bookkeeping

Check the "Yes" or "No" column, whichever answers the question correctly.

Do you have the habit of:

1. Following your study guide?  
2. Using "How to Study"?  
3. Studying at regular hours?  
4. Studying as soon as possible after an assignment?  
5. Waiting until after a class discussion to study?  
6. Going to sleep while studying?  
7. Disagreeing with subject matter?  
8. Using the scientific method when solving a problem?  
9. Being a close observer?  
10. Understanding the terminology?  
11. Understanding the principle involved?  
12. Making corrections properly?
13. Knowing why you made the error?
14. Ruling each account properly?
15. Ruling each statement properly?
16. Being accurate?
17. Asking questions about procedures that you do not understand?
18. Reading current literature about bookkeeping?
19. Checking yourself on the work sheet?

Key to Habit Test
The Combined Cash Journal
Small Business Bookkeeping


Pupil Test
Appreciation Test
The Combined Cash Journal
Small Business Bookkeeping

Check the "Yes" or "No" column, whichever answers the question correctly.

Do you appreciate the:

1. Business transactions recorded by bookkeepers?
2. Profession of bookkeeping as an essential occupation?
3. Job of a bookkeeper as a dignified vocation?
4. Job of a bookkeeper as a worthwhile vocation?
5. Value of bookkeeping as a stepping stone to high executive positions?

6. Indispensability of the knowledge of bookkeeping in everyday life?

7. Learning by doing process of learning bookkeeping?

8. Value of accurate records?

9. Social value of bookkeeping?

10. Economic value of bookkeeping?

Key to Appreciation Test
The Combined Cash Journal
Small Business Bookkeeping

The answer to each of the questions in the appreciation test should be yes.

Bibliography
The Combined Cash Journal
Small Business Bookkeeping

Teacher


Salierson, Earl A., Depreciation in Theory and Practice, (Chicago, LaSalle Extension University, 1940.)


Unit IV
Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

Introduction

The pupil has studied in the preceding three units two methods of keeping books. The two cycles of bookkeeping already studied has given the pupil a knowledge of the principles of bookkeeping necessary to keep books for the average business man.

The unit that we are beginning to study is written to show the pupil how to use the knowledge he has acquired in the preceding units. The pupil is introduced first to a series of columnar journals that may be used to facilitate his bookkeeping; second, the pupil is taught about notes and interest, with their relation to business; third, the pupil will study the effect of accrued income and expense on the accuracy of records; and fourth, the pupil will be given some instruction about other methods of operating business other than the sole proprietorship.

The pupil, after finishing this unit, is ready to use his bookkeeping either as a vocation or as a prerequisite for further study in the field of
bookkeeping and accounting.

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Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

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C. Accrued Expenses and Income—Expenses Payable and Income Receivable
   1. Study Guide No. 3
   2. Subject Matter No. 3
   3. Activities No. 3
   4. Correlations No. 3
   5. Work Sheet No. 3
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D. Other Types of Business Organization—Accounting for Businesses other than Sole Proprietorship
   1. Study Guide No. 4
   2. Subject Matter No. 4
   3. Activities No. 4
   4. Correlations No. 4
   5. Work Sheet No. 4
   6. Key to Work Sheet No. 4

X Culminating Activities

XI Desirable Outcomes
   A. Knowledge and Understanding of
   B. Attitudes toward
   C. Habits of
   D. Appreciations for
XII Leads to Other Units

XIII Evaluation

A. Teacher Evaluation

B. Pupil Test
   1. Knowledge and Understanding of
   2. Attitude toward
   3. Habits of
   4. Appreciations for

XIV Bibliography

A. Teacher
B. Pupil

Criteria for a Unit

Practical Accounting
Adapting Bookkeeping Methods to the Needs of the Business

1. The unit should involve a variety of direct sensory experiences.
2. The unit should provide for some free, informal association of the pupils.
3. The unit should provide an opportunity for manipulatives or bodily activities.
4. The parts of the unit should make a coherent whole.
5. The unit should provide a considerable amount of pupil activity.
6. The unit should be satisfying, or the anticipating of the outcomes should be satisfying.
7. The unit should provide sufficient concrete and illustrative material.
8. The unit of work should have a useful purpose in the present or future

life of the student.

9. The unit should reproduce actual life situations as closely as possible.
10. The unit should utilize materials as they occur in life.
11. The unit should contain accurate information.
12. The unit should provide an opportunity for the pupil to originate, plan, and direct the activity as far as possible.
13. The unit should provide opportunities to judge, choose, and evaluate.
14. The unit should be within the time available for the unit.
15. The exposition should be clear enough to make it possible for a new teacher to put the unit into practice if she so desires.
16. The unit should state clearly where materials may be obtained.
17. When references are given, they should be clear and exact.

Grade Placement—Eleventh Grade
Time Allotment—Four Weeks
Central Theme—Adapting Bookkeeping Methods to the Needs of the Business

Objectives

Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

A. Knowledge and Understanding of:
   1. Columnar special journals—Facilitating accounting
   2. Notes and interest—Borrowing and lending money
   3. Accrued expenses and income—Expenses payable and income receivable
   4. Other types of business organization—Accounting for businesses other than sole proprietorship

B. Attitudes toward:
   1. Supplemental records as aids in bookkeeping
2. Borrowing money
3. Lending money
4. Accruals
5. A partnership as a means of doing business
6. A corporation as a means of doing business
7. A co-operative as a means of doing business

C. Habits of:
1. Maintaining all necessary records
2. Supplying lending agencies with the necessary data
3. Requiring necessary data from borrowing agents
4. Accounting for all expenses
5. Being familiar with the different types of business organizations

D. Appreciations for:
1. Special columnar journals as an aid in bookkeeping
2. The privilege of credit
3. The use of accruals in bookkeeping
4. The partnership with its advantages as a means of doing business
5. The corporation with its advantages as a means of doing business
6. The co-operative with its advantages as a means of doing business

Approaches
Practical Accounting
Adapting Bookkeeping Methods to the Needs of the Business

1. Collect and display as many different forms of the columnar journals as you can find.
2. Collect and display some blank notes, honored notes, and, if possible, some dishonored notes.
3. Display a typical partnership agreement.
4. Obtain and display a charter for a typical corporation with its stock certificate book, if possible.

Study Guide No. 1
Columnar Special Journals
Facilitating Accounting

1. Describe a special columnar journal.
2. Describe a cash receipts journal.
3. Describe a cash payments journal.
4. Analyze each entry in the illustration of the cash receipt journal illustrated on page 299 of the textbook.
5. Explain how the cash receipt journal is posted.
6. Explain how a special columnar journal is proved.
7. Describe the double-page cash journal.
8. Explain the process used in posting the double-page cash journal.
9. Explain the process used in balancing the double-page cash journal.
10. Explain the process used in proving the double-page cash journal.
11. How are amounts on one page of the double-page cash journal carried forward to a new page.
12. Describe the columnar general ledger.
13. How does posting to the columnar general ledger differ from posting to the general ledger.
14. How are sales on account posted to the customers' account from the special columnar journals.
15. How are purchases on account posted to the creditors' account from the special columnar journals.
16. Explain the process of post referencing the special columnar journals.

17. Define the following terms:
   a. columnar cash payments journal
   b. columnar cash receipts journal
   c. columnar general journal
   d. divided-column journal
   e. double-page cash book
   f. miscellaneous current entries
   g. 016

References


Subject Matter No. 1

Columnar Special Journals

Facilitating Accounting

I Organizing books of original entry

A. Facilitates accounting
   1. Posting by totals only
   2. Very few general journal entries

B. Meets the needs of the business
   1. Cash receipts
   2. Cash payments
   3. A double-page cash book
   4. General journal

II Subsidiary ledgers
A. Accounts receivable posted directly from the sales slips
B. Accounts payable posted directly from the purchases invoices

III Checks for accuracy
A. Controlling accounts used
B. Debit—Credit—Balance proof

Activities No. 1
Columnar Special Journals
Facilitating Accounting

1. Collect and display as many different types of columnar cash journals as you can find.

2. Show the relationship between the special journals in Unit II and the one that you are going to present in this unit.

3. Show a completed columnar journal on the opaque projector. Point out the following:
   a. Method of making entries.
   b. Method of dating entries.
   c. Description of entries.
   d. Use of special columns.
   e. Carrying forward totals at the end of a page.
   f. Method of posting with reference to post referencing.

4. Have the pupils complete the following exercises:
   Exercise 51, page 312
   Exercise 52, page 314

5. Discuss the completed exercises.

Correlations No. 1
Columnar Special Journals
Facilitating Accounting

Arithmetic:

Problems of addition in vertical columns.
Problems of addition in horizontal columns.

Economics:

Discuss the topic: "Economic Laws and the Accountant."

Language:

The pupils will take part in the discussion of the special topic.
Class discussion.

Reading:

Read the subject matter in the textbook.
Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:
Learn to spell the following terms:
columnar cash payments journal
columnar cash receipts journal
columnar general journal
divided-column journal
double-page cash book
miscellaneous current entries

Work Sheet No. 1

Columnar Special Journals
Facilitating Accounting

Select from the first column the name of the special columnar journal that you
would use in recording the transactions listed in the second column in the space provided. Use the letter designation instead of writing the name of the special columnar journal.

A. Columnar Cash Receipts Journal
   1. Received cash on account.
B. Columnar Cash Payments Journal
   2. Paid cash on account.
C. Columnar General Journal
   3. Paid invoice less 2.
   4. Paid withholding tax liability.
   5. Cash sale.
   6. Bought merchandise on account.
   8. Paid social security taxes payable.

In the space provided at the left of each statement indicate whether the statement is true or false.

9. A cash receipt journal that contains special columns for other money amounts is called a columnar cash receipts journal.
10. If both the cash receipts and cash payments are recorded on the same page, the book of original entry is called a double-page cash book.
11. Miscellaneous current entries are always entered in the columnar general journal.
12. The opening entry of a business is entered in only one columnar journal.
13. The individual account in the accounts receivable columns is not posted.
14. The individual accounts in the general ledger columns are posted separately.
15. The totals of the debit columns must equal the totals of the credit columns in the special columnar journals.
16. Each purchase invoice is posted directly to the general ledger.
17. Posting from the special columnar journals is done by totals with the exception of the general ledger column.

18. If a special column is maintained for sales, the total only is posted to the sales account at the end of the fiscal period.

19. When a special file for the accounts receivable is maintained, the accounts receivable account is not entered in the general ledger.

20. When the same amount is entered into the same account in two different special columnar journals, both of these amounts must be posted to the general ledger.

Key to Work Sheet No. 1

Columnar Special Journals

Facilitating Accounting

1. A 5. A 9. true 13. false 17. true

Study Guide No. 2

Notes and Interest

Borrowing or Lending Money

1. How do you know when a promissory note is payable?
2. Why are notes payable issued?
3. Explain the difference between notes payable and notes receivable.
4. Explain the method of computing interest for periods of less than one year.
5. How many days are considered to be in one year for the purpose of computing interest?
6. Explain the 6-per-cent-for-60-days-method of computing interest.

7. Explain the 6-per-cent-for-6-days method of computing interest.

8. Give the journal entry necessary to record the receipt of cash for the payment of interest.

9. Give the journal entry necessary to record the receipt of cash for the payment of the principal of the note plus the interest on the note.

10. Explain the entry required when a note is dishonored.

11. Give the journal entry required to record the payment of interest.

12. Give the journal entry necessary to record the payment of the principal of a note plus the interest on the note.

13. Describe the notes payable register and give its purpose.

14. Describe the notes receivable register and give its purpose.

15. Define the following terms:
   a. bank discount
   b. dishonored note
   c. interest-bearing note
   d. interest rate
   e. non-interest-bearing note
   f. notes payable register
   g. notes receivable register
   h. principal
   i. proceeds
   j. promissory note

References


Subject Matter No. 2

Notes and Interest

Borrowing or Lending Money

I Notes

A. Definition

B. Classification

1. As to type
   a. Negotiable
   b. Non-negotiable

2. As to their relationship to your business
   a. Notes receivable
   b. Notes payable

C. Use of

1. Notes receivable
   a. Money lent to others
   b. Repayable to your business

2. Notes payable
   a. Money borrowed from others
      (1) Banks
(2) Other businesses

b. Payable to your business

D. Terminology of notes

1. Maker
2. Payee
3. Date
4. Time
5. Maturity date
6. Principal
7. Interest rate

E. Accounting for notes

1. Notes receivable
   a. Journal entry
      (1) Notes received
      (2) Notes honored
      (3) Notes dishonored
   b. Use of subsidiary ledger
   c. Posting to ledger
   d. Position on work sheet
   e. Position on the balance sheet

2. Notes payable
   a. Journal entry
      (1) Notes given
      (2) Notes honored
   b. Use of subsidiary ledger
   c. Posting to ledger
   d. Position on the work sheet
e. Position on the balance sheet

II Interest

A. Definition

B. Terminology of interest

1. Interest bearing
2. Non-interest bearing
3. Interest rate
4. Interest expense
5. Interest income

C. Methods of calculating interest

1. For one year
   a. Principal times interest rate equals interest
   b. Three hundred dollars time 6 per cent equals $18

2. For periods of less than one year
   a. Sixty-day-at-6-per-cent method
      
      (1) Method of calculation
      
      (a) Sixty days equal 60/360 or 1/6 of one year
      (b) One-sixth of 6 per cent equals 1 per cent
      (c) Principal times 1 per cent equals interest for sixty days
      (d) Five hundred dollars times 1 per cent equals $5
      
      (2) Conclusion
      
      (a) To calculate interest for sixty days at 6 per cent
      (b) Move the decimal point in the principal two places to the left

b. Six-days-at-6-per-cent method
   
   (1) Method of calculation
(a) Six days is one-tenth of sixty days
(b) One-tenth of the interest for sixty days is the interest for six days
(c) Five dollars times one-tenth equals $.50

(2) Conclusion
(a) To calculate interest for six days at 6 per cent
(b) Move the decimal point in the principal three places to the left

c. For rates of interest other than 6 per cent
   (1) Calculate the interest by the 60-days-at-6-per-cent method
   (2) Multiply the interest by a fraction made by placing the interest rate over six

d. For a number of days other than sixty
   (1) Calculate the interest by the 60-days-at-6-per-cent method
   (2) Multiply the interest by a fraction made by placing the number of days over sixty

D. Accounting for interest
   1. Journal entry
   2. Posting the entry
   3. Effect of interest on the profit and loss statement
      a. Interest income
      b. Interest expense

Activities No. 2
Notes and Interest
Borrowing or Lending Money

1. Collect and display as many different types of notes as you can.
2. Discuss the relationship between the use of notes and the use of open accounts.
3. Have the pupils complete a note and discuss the completed note.
4. Review the terminology of notes.
5. Visit the local bank.
6. Have the pupils complete the following exercises:
   Exercise 53, page 325
   Exercise 54, page 326
7. Discuss the completed exercises.

Correlations No. 2
Notes and Interest
Borrowing or Lending Money

Arithmetic:
Compute interest using the 60-days-at-6-per-cent method
Complete problems showing the relationship between fractions and decimals.

Economics:
Have the pupils make oral reports on the following topics:
"Control of Money"
"Control of Credit"
"Dun and Bradstreet"

Language:
The pupils will give their reports.
Class discussion.

Reading:
The pupils will have to do some outside reading to complete their reports.
Read the subject matter in the textbook.
Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

- bank discount
- dishonored note
- interest-bearing note
- interest rate
- non-interest-bearing note
- notes payable
- notes receivable
- principal
- proceeds
- promissory note

Work Sheet No. 2

Notes and Interest

Borrowing or Lending Money

From the information given in the note reproduced below fill in the answers to the questions asked about the note in the space provided.

$500.00  Bowling Green, Kentucky, April 14, 1953

Sixty days after date I promise to pay to the order of The Citizens National Bank

Five Hundred and------------------00/100 Dollars

Payable at The Citizens National Bank, Bowling Green, Kentucky

Value received with interest at 6%

No. 376 Due June 13, 1953 /s/ E. L. Manganese

1. Date of the note? _______
2. Face of the note in figures? _______
3. Face of the note in words? _______
4. Payee of the note? _______
5. Place of payment of the note? _______
6. Interest rate on the note? _______
7. Time of the note? _______
8. Maturity date of the note? _______
9. Maker of the note? _______

For each of the transactions given below, indicate the accounts affected by writing the proper account title of each account in the space provided.

10-11. Gave a 60-day, 6 per cent note for $400 in full of account.
   10. Debit _______ 11. Credit _______
   12-13. Received a 30-day, 5 per cent note for $200 in full of account.
   12. Debit _______ 13. Credit _______
   14. Debit _______ 15. Debit _______
   16. Credit _______
   17-18. A customer dishonored his note.
   17. Debit _______ 18. Credit _______
   19-20. Paid the interest due on a note.
   19. Debit _______ 20. Credit _______

Select the term defined in the right-hand column from the list of terms in the left-hand column and place the letter designation of that term in the space provided in the right-hand column.

A. date _______ 21. Amount paid for the use of money.
B. dishonored _______ 22. The person who signs a note.
C. interest _______ 23. The person to whom the note is payable.
D. interest rate  
E. maker  
F. maturity date  
G. payee  
H. principal  

---

24. The rate paid for the use of money.
25. Amount of money lent or borrowed.
26. Day on which the note is made.
27. Day on which the note is due.
28. A note that is not paid when it is due.

Key to Work Sheet No. 2
Notes and Interest
Borrowing or Lending Money

1. April 14, 1953
2. $500.00
3. Five Hundred and 00/100 dollars
4. The Citizens National Bank
5. The Citizens National Bank, Bowling Green, Ky.
6. 6%
7. 60 days
8. June 13, 1953
9. E. L. Marmoeer
10. Accounts Payable
11. Notes Payable
12. Notes Receivable
13. Accounts Receivable
14. Notes Payable
15. Interest Expense
16. Cash
17. Accounts Receivable
18. Notes Receivable
19. Interest Expense
20. Cash
21. C
22. E
23. G
24. D
25. H
26. A
27. F
28. B

Study Guide No. 3
Accrued Expenses and Income
Expenses Payable and Income Receivable
1. What is the purpose of recording expenses that have not been paid?
2. What is the purpose of recording income that has been earned but not received?
3. Give the entry necessary to record salaries that have been incurred but not paid.
4. Give the entry necessary to record accrued interest expense.
5. Explain the similarity of the entries given in items three and four.
6. What is the effect of accrued expenses on the profit and loss statement?
7. Would salary expense and interest expense that has been incurred but not paid come under the same heading in the profit and loss statement? If not, explain your answer.
8. What is the effect of expenses incurred but not paid on the balance sheet?
9. What is the effect of income earned but not received on the balance sheet?
10. Explain a reversing entry.
11. Why is the reversing entry required in the salary expense account at the beginning of the fiscal period?
12. How is the adjustment for the accrued expenses and the accrued income shown on the work sheet?
13. Define the following terms:
   a. accrued expenses
   b. accrued income
   c. nominal accounts
   d. real accounts
   e. reversing entry

References
Subject Matter No. 3

Accrued Expenses and Income

Expenses Payable and Income Receivable

I. Accrued expenses

A. Definition

B. Need for recording

1. Books should show all expenses for period

2. Books not showing all expenses for period are not accurate

C. Expenses usually accruing

1. Salaries incurred but not paid

2. Interest incurred but not paid

D. Accounting for accrued expenses

1. Adjust accounts on work sheet
   a. Debit expense account
   b. Credit liabilities account

2. Journal entry made from the work sheet

3. Post the entry

4. Effect on the profit and loss statement

5. Effect on the balance sheet
6. Reversing entries
   a. Liability account returned to expense
   b. Closes the liability account

II Accrued income
   A. Definition
   B. Need for recording
      1. Books should show all the income for the period
      2. Books not showing all income for the period are not accurate
   C. Income usually accruing
      1. Interest income earned but not received
      2. Rent income earned but not received
      3. May be others
   D. Accounting for accrued income
      1. Adjust accounts on the work sheet
         a. Debit a receivable account
         b. Credit an income account
      2. Journal entry made from the work sheet
      3. Post the entry
      4. Effect on the profit and loss statement
      5. Effect on the balance sheet
      6. Reversing entries
         a. Receivable accounts returned to income
         b. Closes the receivable account

Activities No. 3
Accrued Expenses and Income
Expenses Payable and Income Receivable
1. Discuss the possibilities of incurring expenses and income.

2. Have the pupils study the illustrations in the textbook.

3. Discuss the use of reversing entries.

4. Review the terminology of real and nominal accounts.

5. Have the pupils complete the following exercises:
   - Exercise 55, page 337
   - Exercise 56, page 338

6. Discuss the completed exercises.

Correlations No. 3

Accrued Expenses and Income

Expenses Payable and Income Receivable

Arithmetic:

Complete problems on the addition and subtraction of whole numbers.

Complete problems to find percentages.

Economics:

Discuss the topic: "The Effect of Accruals."

Language:

The pupils will take part in the discussion of the special topic.

Class discussion.

Reading:

Read the subject matter in the textbook.

Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

accrued expenses
Work Sheet No. 3

Accrued Expenses and Income

Expenses Payable and Income Receivable

In the space provided at the left of each statement write the letter signifying the addition to the statement that will make it read correctly.

1. Expenses that are incurred in one fiscal period but are not paid until the next fiscal period are called (A) accrued expense, (B) deferred charges.

2. Each expense that is not paid at the end of a fiscal period should be recorded by a (A) reversing, (B) adjusting entry.

3. The expense that has incurred but is not paid should be debited to a (A) liability, (B) expense account.

4. An entry to record an accrued expense should be recorded in the (A) general journal, (B) cash payments journal.

5. Interest owed but not paid is classified as an (A) expense, (B) income.

6. Interest owed but not paid is also classified as (A) an asset, (B) a liability.

In the space provided at the left of each statement indicate whether the statement is true or false.

7. Unpaid salaries at the end of a fiscal period is an example of accrued expenses.

8. Expenses are sometimes incurred in one fiscal period and paid in another.
9. The profit and loss statement should show the expenses for the fiscal period even though the expenses are not paid.

10. If unpaid expenses of one fiscal period are not recorded, the net profit or net loss will show a correct figure.

11. An expense that has incurred but is not paid will appear on the balance sheet.

12. The salaries payable account will have a balance until the reversing entries are made.

13. Reversing entries are made at the end of each day's business.

14. Reversing entries prepare the ledger at the beginning of the new fiscal period.

15. Cash is credited for amounts paid out.

16. Expense accounts have a debit balance after the books are closed.

17. Adjusting entries are made when accounts have mixed balances.

18. Accrued expenses affect both the balance sheet and the profit and loss statement.

19. Accrued income affects only the balance sheet.

20. The accrued salaries should appear on the balance sheet if the adjusting entries were not made.

Key to Work Sheet No. 3

Accrued Expenses and Income

Expenses Payable and Income Receivable

1. A 5. A 9. true 13. false 17. true
3. B 7. true 11. true 15. true 19. false
Study Guide No. 4

Other Types of Business Organization

Accounting for Businesses other than Sole Proprietorship

1. Explain the purpose of a partnership.
2. Should a partnership agreement be in writing? If yes, give your reasons.
3. Name the principal provisions of a partnership agreement.
4. How does bookkeeping for a partnership differ from bookkeeping for a sole proprietorship?
5. Are the salaries paid to partners in a partnership considered as salary expense? If not, explain your answer.
6. Give the journal entry necessary to record the salary of a partner.
7. How are the profits or losses of a partnership divided?
8. How does the profit and loss statement of a partnership differ from that of a sole proprietorship?
9. How does the balance sheet of a partnership differ from that of a sole proprietorship?
10. Explain the purpose of a corporation.
11. Name some of the advantages of a corporation.
12. Tell about the information that is given on the certificate of corporation.
13. Explain the opening entry for a corporation under the following conditions:
   a. when stock is sold for cash.
   b. when stock is exchanged for a going business.
14. Explain what you mean by saying that goodwill is an intangible asset.
15. How does the profit and loss statement of the corporation differ from that of a partnership or a sole proprietorship?
16. How does the balance sheet of the corporation differ from that of a partnership or a sole proprietorship?
17. Explain how profits are divided in the corporations.

18. Explain the necessary entry used to record the declaration of a dividend.

19. Explain the necessary entry used to record the payment of a dividend.

20. How does a co-operative differ from a corporation?

21. How does the co-operative distribute its profits?

22. Define the following terms:
   
a. articles of co-partnership
   b. authorized capital stock
   c. board of directors
   d. capital stock
   e. certificate of incorporation
   f. co-operative
   g. corporation
   h. dividend
   i. goodwill
   j. no-par-value stock
   k. participation dividends
   l. partner
   m. partnership
   n. par value
   o. shares
   p. stock certificate
   q. stockholder
   r. subscribers

References


Sherwood and Boling, College Accounting, pp. 291-316.

Subject Matter No. 4

Other Types of Business Organization

Accounting for Businesses other than Sole Proprietorship

I Partnership

A. Definition

B. Purpose

1. Adds capital to the business

2. Division of responsibility

3. Combinations of skills

C. Organization of a partnership

1. Articles of co-partnership

   a. Definition

      (1) Oral agreement between partners

         (a) Advantages

         (b) Disadvantages

      (2) Written agreement between partners

         (a) Advantages

         (b) Disadvantages
b. Information shown in articles of co-partnership

(1) Names of partners
(2) Reasons for formation
(3) Length of time that partnership is to operate
(4) Name of business
(5) Location of business
(6) Investment of each partner
(7) Equity of each partner in the partnership property
(8) Duties of each partner
(9) Limitations of each partner's activities
(10) Provisions for distribution of profits or losses

D. Accounting for a partnership

1. Accounts typical to a partnership
   a. Each partner will have a capital account
   b. Each partner will have a drawing account

2. Forming a partnership
   a. With a cash investment
      (1) Opening entry for assets and liabilities are the same
           as for proprietorship
      (2) Opening entry for proprietorship accounts will show the
           investment for both partners
   b. Converting a single proprietorship into a partnership
      (1) Merger with another business
      (2) Adding a partner
          (a) By an investment of cash
          (b) By an investment of assets other than cash

3. Partnership salaries
a. Salary for a partner is not an expense
b. All salaries are taken from the drawing accounts

4. Division of profit or loss
   a. Determined by the articles of co-partnership
   b. May be divided in any way that is agreeable to all partners
   c. If division of profit or loss is not stated; they are divided equally

5. Profit and loss statement of a partnership
   a. Same as in sole proprietorship
   b. Addition to partnership profit and loss statement
      (1) Distribution of net profit or net loss
      (2) Information given
          (a) Each partner's salary
          (b) Each partner's withdrawals
          (c) Each partner's share of remaining profit or loss
          (d) Each partner's total share of profit or loss

6. Balance sheet for a partnership
   a. Assets and liabilities same as in sole proprietorship
   b. Changes in proprietorship section
      (1) Capital of each partner before report
      (2) Total share of profit or loss less his withdrawals
      (3) Each partner's net increase or decrease in capital

7. Adjusting and closing entries
   a. Similar to sole proprietorship except for closing profit and loss summary account
   b. Profit and loss summary account closed to each partner's drawing account
II Corporations

A. Definition

B. Purpose of

1. To obtain more capital than is possible with a partnership
2. To carry on a business for profit

C. Advantages

1. Limited liability of the investor
2. Permits a large number of investors
3. Investors are free to sell their share of the organization
4. Not terminated by death of any investor

D. Ownership

E. Organization

1. Authorized by authority provided by state and Federal laws
2. Laws prescribe method of incorporation
3. Usually three people are required to invest
4. Certificate of incorporation
   a. Must be presented to proper officials
   b. Information contained in
      (1) Name of business
      (2) Location of business
      (3) Object of the business
      (4) Information concerning stock
         (a) Amount of capital stock
         (b) Kinds of stock
         (c) Numbers of shares
      (5) Amount of capital
      (6) Names and addresses of incorporators
F. Information concerning a corporation

1. Capital stock
   a. Classification
      (1) Par-value stock
      (2) No-par-value stock
   b. Stock subscription
      (1) Definite promise to buy stock
      (2) Number of shares and cost of each must be known

2. Management of the corporation
   a. Corporation has a number of stockholders
   b. Board of directors
      (1) Elected by stockholders
      (2) Set up general policies of the corporation
      (3) Elect officers
         (a) Complete transactions for the corporation
         (b) Responsible to the board of directors

G. Accounting for the corporation

1. Opening entry
   a. Debit assets
   b. Credit liabilities and capital stock

2. Purchasing a going business
   a. Debit assets
   b. Credit liabilities
   c. Credit proprietorship of old business as capital stock

3. Financial statements for a corporation
   a. Surplus statement
      (1) Same as profit and loss statement of proprietorship
(2) Profit and loss summary account closed to surplus
(3) Prepared at the end of the fiscal period
b. Balance sheet
   (1) Asset and liabilities section same as proprietorship
   (2) Proprietorship section contains information concerning capital stock and surplus
4. Closing entries
   a. Income and expense accounts closed to profit and loss summary
   b. Profit and loss summary closed to
      (1) Surplus— for profit
      (2) Deficit— for loss
5. Declaring dividends
   a. Declared by board of directors
   b. Expressed in terms of a certain amount per share
   c. Dividends payable is a liability account
   d. May be paid in stock or money
III Co-operatives
A. Definition
B. Difference between co-operative and corporation
   1. Each stockholder of co-operative has only one vote
   2. Organization controlled by all stockholders in place of a board of directors
C. Dividends
   1. Participation dividends
   2. Dividends on capital stock
Other Types of Business Organization

Accounting for Business other than Sole Proprietorship

1. Display the articles of co-partnership.
2. Discuss the opening entry for a partnership with its similarities to and differences from the sole proprietorship.
3. Discuss the division of profits or losses of the partnership.
4. Discuss the differences in the proprietorship accounts of the partnership and the sole proprietorship.
5. Display some stock certificates and a certificate of incorporation.
6. Discuss the advantages of the corporative method of doing business.
7. Discuss the accounts typical to the corporative type of business.
8. Compare the sole proprietorship, partnership, corporative, and co-operative methods of doing business.
9. Discuss the distribution of profits from the corporative business.
10. Have the pupils complete the following exercises:
    - Exercise 57, page 349
    - Exercise 58, page 349
    - Exercise 59, page 350
    - Exercise 60, page 350
    - Exercise 61, page 361
    - Exercise 62, page 361
    - Exercise 63, page 362
11. Discuss the completed exercises.

Correlations No. 4

Other Types of Business Organization

Accounting for Businesses other than Sole Proprietorship
Arithmetic:

Complete problems about percentages.

Economics:

Each pupil should write a theme: "I like the ______ type of business organization because...."

Language:

The pupils could read their reports in class.

Class discussion.

Reading:

Read the subject matter in your textbook.

Read as many of the suggested readings as you can.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

- articles of co-partnership
- authorized capital stock
- board of directors
- capital stock
- certificate of incorporation
- co-operative
- corporation
- dividend
- goodwill
- no-par-value stock
- participation dividends
- partner
- partnership
In the space provided at the left of each statement indicate whether the statement is true or false.

1. A partnership is formed by more than one person.

2. When two or more persons combine their assets in one business venture, the business is referred to as a corporation.

3. Two or more persons may share in the ownership of a partnership.

4. A partnership is formed by an agreement called the articles of co-partnership.

5. The articles of co-partnership must be in writing.

6. All partners are required to share profits and losses equally.

7. Partner's salaries are considered as a business expense.

8. The only difference between the bookkeeping of the sole proprietorship and the partnership lies in the proprietorship accounts.

9. A corporation is an artificial being, invisible, intangible, and existing only in contemplation of law.

10. The ownership of a corporation is divided into units called shares.

11. The co-operative is formed by a group of people for the purpose of operating a business.
12. The profits of a corporation and those of a co-operative are given to its owners in the same way.

13. The fundamental principles of bookkeeping remain the same regardless of the type of business organization.

14. The earnings of a corporation are distributed to the shareholders.

15. Each stockholder in a co-operative is entitled to one vote regardless of the number of shares he holds.

16. Each stockholder in a corporation is entitled to one vote for each share of stock he holds.

Select the term defined in the right-hand column from the list of terms in the left-hand column and place the letter designation of that term in the space provided in the right-hand column.

A. authorized capital stock
B. board of directors
C. charter
D. deficit
E. par value
F. stock certificate
G. stockholder
H. subscribers
I. surplus

19. Amount of capital stock authorized by the charter.
20. The owner of one or more shares of stock.
21. Group of persons who manage the corporation.
22. Evidence of stockholders' ownership.
23. Face value of stock printed on certificate.
24. Persons who have agreed to buy stock.
25. The authority to organize a corporation.

Key to Work Sheet No. 4
Other Types of Business Organization

Accounting for Businesses other than Sole Proprietorship

2. false  7. false  12. false  17. D  22. F

Culminating Activities

Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

1. Set up a model bank. Let one-half of the class be bank officials and one-half of the class be customers of the bank. The problem will be for the bank officials to do the following:
   a. To give good accounting advice to the customers.
   b. To explain the services that the bank will give to its customers.
   c. To lend money by accepting notes.
   d. To collect notes for the customers.
   e. To collect its own notes plus the interest.

2. Divide the class into teams and let them arrange to give a panel discussion or individual reports on the following subjects:
   a. The Combined Cash Journal
   b. Notes and Interest
   c. Accounting for Accruals
   d. The Partnership
   e. The Corporation
   f. The Co-operative
3. Display the completed exercises for this unit.

Desirable Outcomes

Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

A. Knowledge and Understanding of:

1. Organizing books of original entry
   a. Facilitates accounting
   b. Meets the needs of the business

2. Subsidiary ledgers

3. Checks for accuracy

4. Notes
   a. Definition
   b. Classification
      (1) As to type
      (2) As to their relationship to your business
   c. Purpose
   d. Typical terminology
   e. Accounting for notes

5. Interest
   a. Definition
   b. Typical terminology
   c. Methods of computing interest
   d. Accounting for interest

6. Accrued expenses
   a. Definition
   b. Need for recording
c. Expenses usually accruing

d. Accounting for accrued expenses

7. Accrued income

a. Definition

b. Need for recording

c. Income usually accruing

d. Accounting for accrued income

8. Partnerships

a. Definition

b. Purpose

b. Organization

(1) Articles of co-partnership

(a) Definition

(b) Composition

(2) Advantages of a written agreement

d. Accounting for a partnership

(1) Accounts typical to partnerships

(2) Opening entry for a partnership

(3) Partner's salaries

(4) Division of profits and losses

(5) Profit and loss statement

(6) Balance sheet

(7) Adjusting and closing entries

9. Corporations

a. Definitions

b. Purpose

b. Advantages of organization
d. Disadvantages of organization


e. Ownership

f. Management of organization
   (1) Authority for organization
   (2) Certificate of incorporation
      (a) Definition
      (b) Purpose
      (c) Information
      (d) Law pertaining to


g. Information concerning a corporation
   (1) Capital stock
      (a) Classification
      (b) Stock subscriptions
   (2) Management of the corporation
      (a) Stockholders
      (b) Board of directors

h. Accounting for the corporation
   (1) Opening entry
   (2) Purchasing a going business
   (3) Financial statements
      (a) Surplus statement
      (b) Balance sheet
   (4) Closing entries
   (5) Declaring dividends

lO. Co-operatives
    a. Definition
    b. Purpose
c. Differences between the corporation and the co-operative

d. Dividends

B. Attitudes toward:

1. Organizing the books of original entry into one book
2. The different methods of maintaining the accounts receivable account
3. The different methods of maintaining the accounts payable account
4. Controlling accounts as a check for accuracy
5. The use of negotiable instruments in business
6. The use of non-negotiable instruments in business
7. The accounting for notes receivable and for notes payable
8. The paying of interest for the use of money
9. The receiving of interest for the use of money
10. The method used in computing interest
11. The accounting for interest
12. The need for recording accrued income and expense
13. The accounting for accrued income and expense
14. The use of reversing entries
15. Partnerships as a means of doing business
16. Agreements between partners
17. Accounting for partnerships
18. The division of profits or losses of partners
19. Corporations and co-operatives as a means of doing business
20. The differences in the distribution of profits of the corporations and the co-operatives

C. Habits of:

1. Organizing the books of original entry into one book
2. Maintaining the accounts receivable account
3. Maintaining the accounts payable account
4. Using the controlling accounts as a means of checking accuracy
5. Using negotiable instruments to stimulate business
6. Accounting for notes
7. Presenting evidence of being solvent when you borrow money
8. Computing interest in the proper way
9. Accounting for interest
10. Recording accruals
11. Using reversing entries
12. Making all agreements in writing
13. Dividing profits or losses according to agreement
14. Using the type of business organization that best suits the business
15. Being accurate in keeping records

D. Appreciations for:
1. The combined cash journal as a time-saving and labor-saving device
2. The methods of maintaining receivable and payable accounts
3. The controlling accounts as checks for accuracy
4. The use of negotiable and non-negotiable instruments as a means of stimulating business
5. The receiving and paying of interest
6. The methods of computing interest
7. The accruals
8. The use of reversing entries
9. The various types of business organizations
10. The articles of co-partnership
11. The method of dividing profits and losses in partnership agreements
12. The distribution of profits in corporations and co-operatives
Leads to Other Units

Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

The pupil will now enter the final unit of his study in beginning bookkeeping. He should use all of his past-gained knowledge in beginning bookkeeping to aid him in understanding the final unit.

Unit V Useful Applications of Principles Studied

Teacher Evaluation

Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

To what extent does the unit:

1. Involve a variety of direct sensory experiences?
2. Provide for free informal association of pupils?
3. Provide an opportunity for manipulative or bodily activity?
4. Make a coherent whole?
5. Provide a considerable amount of pupil activity?
6. Produce satisfying outcomes?
7. Provide sufficient concrete and illustrative materials?
8. Have a useful purpose in the present and future life of the pupils?

Ex. V.G. G. F. P. None

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9. Reproduce actual life situations as far as possible?

10. Utilizes materials as they occur in life?

11. Contain some accurate material?

12. Provide opportunity for pupils to originate, plan, and direct activity as far as possible?

13. Provide opportunity to judge, choose, and evaluate?

14. End or lie within the available time?

15. Make it possible for a new teacher to put it into practice if she desires?

16. State clearly where materials may be obtained?

17. Give complete, exact references?

Pupil Test

Knowledge and Understanding Test

Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

Select from the first column the name of the special columnar journal that you would use in recording the transactions listed in the second column in the space provided. Use the letter designation instead of writing the name of the special columnar journal.

A. Columnar Cash Receipts Journal

B. Columnar Cash Payments Journal

1. Received cash on account.

2. Paid cash on account.
C. Columnar General Journal

3. Paid invoice less 2.
4. Paid withholding tax liability.
5. Cash sale.
6. Bought merchandise on account.
8. Paid social security taxes payable.

Select the term defined in the right-hand column from the list of terms in the left-hand column and place the letter designation of that term in the space provided in the right-hand column.

A. authorized capital stock
B. board of directors
C. charter
D. date
E. deficit
F. dishonored
G. interest
H. interest rate
I. maker
J. maturity date
K. par value
L. payee
M. principal
N. stock certificate
O. stockholder
P. subscribers
Q. surplus

9. Amount paid for the use of money.
10. The person who signs a note.
11. The person to whom the note is payable.
12. The rate paid for the use of money.
13. Amount of money lent or borrowed.
14. Day on which the note is made.
15. A note that is not paid when due.
17. A gain in corporation accounting.
18. Amount of capital stock authorized by the charter.
19. The owner of one or more shares of stock.
20. Group of persons who manage the corporation.
22. Face value of stock printed on stock.
23. Persons who have agreed to buy stock.
24. The authority to organize a corporation.

From the information given in the note reproduced below, fill in the answers to the questions asked about the note in the space provided.

$500.00
Bowling Green, Kentucky, April 14, 1953

Sixty days after date I promise to pay to the order of The Citizens National Bank

Five Hundred and______________________________00/100 Dollars
Payable at The Citizens National Bank, Bowling Green, Kentucky

Value received with interest at 6 %

No. 376 Due June 13, 1953 /s/ Elroy P. Schnith

25. Date of the note?

26. Face of the note in figures?

27. Face of the note in words?

28. Payee of the note?

29. Place of payment of the note?

30. Interest rate on the note?

31. Time of the note?

32. Maturity date of the note?

33. Maker of the note?

For each of the transactions given below, indicate the accounts affected by writing the proper account title of each account in the space provided.

34-35. Gave a 60-day note for $100 in full of account.
   34. Debit _____ 35. Credit _____

36-37. Received a 30-day, 5% note for $200 in full of account.
   36. Debit _____ 37. Credit _____

38-40. Honored an interest-bearing note.
38. Debit ________ 39. Credit ________

40. Debit ________

41-42. A customer dishonored his note.

41. Debit ________ 42. Credit ________

43-44. Paid the interest due on a note.

43. Debit ________ 44. Credit ________

In the space provided at the left of each statement write the letter signifying the addition to the statement that will make it read correctly.

45. Expenses that are incurred in one fiscal period but are not paid until the next fiscal period are called (A) accrued expenses. (B) deferred charges.

46. Each expense that is not paid at the end of a fiscal period should be recorded by a (A) reversing entry. (B) adjusting entry.

47. The expense that has been incurred but not paid should be debited to a (A) liability account. (B) expense account.

48. An entry to record an accrued expense would be recorded in the (A) general journal. (B) cash payment journal.

49. Interest owed but not paid is classified as (A) an expense. (B) an income.

50. Interest owed but not paid is also classified as (A) an asset. (B) a liability.

In the space provided at the left of each statement indicate whether the statement is true or false.

51. A cash receipt journal that contains special columns for other money amounts is called a columnar cash receipts journal.

52. If both the cash receipts and the cash payments are recorded on the same page, the book of original entry is called the double-paged
53. Miscellaneous current entries are always entered in the columnar general ledger.

54. The opening entry of a business is entered in only one columnar journal.

55. The individual account in the accounts receivable columns are not posted.

56. The individual accounts in the general ledger columns are posted separately.

57. The totals of the debit columns must equal the totals of the credit columns in the special columnar journals.

58. Posting from the special columnar journals is done by totals with the exception of the general ledger columns.

59. Each purchase invoice is posted directly to the general ledger.

60. If a special column is maintained for sales, the total only is posted to the sales account at the end of the fiscal period.

61. When a special file for the accounts receivables is maintained, the accounts receivable account is not entered in the general ledger.

62. When the same amount is entered into the same account in two different special journals, both of these amounts must be posted to the general ledger.

63. Unpaid salaries at the end of a fiscal period are an example of accrued expenses.

64. Expenses are sometimes incurred in one fiscal period and paid in another.

65. The profit and loss statement should show the expenses for a fiscal period even though the expenses are not paid.

66. If unpaid expenses of one fiscal period are not recorded, the net
67. An expense that has been incurred but is not paid will appear on the balance sheet.

68. The salaries payable account will have a balance until the reversing entries are made.

69. Reversing entries are made at the end of each day's business.

70. Reversing entries prepare the ledger at the beginning of a new fiscal period.

71. Cash is credited for amounts paid out.

72. Expense accounts have a debit balance after the books are closed.

73. Adjusting entries are made when accounts have mixed balances.

74. Accrued expenses affect both the balance sheet and the profit and loss statement.

75. Accrued income affects only the balance sheet.

76. The accrued salaries would appear on the balance sheet if the adjusting entries are not made.

77. A partnership is formed by more than one person.

78. When two or more persons combine their assets in one business venture, the business is referred to as a corporation.

79. Two or more persons may share in the ownership of a partnership.

80. A partnership is formed by an agreement called the articles of co-partnership.

81. The articles of co-partnership must be in writing.

82. All partners are required to share profits and losses equally.

83. Partner's salaries are considered as a business expense.

84. The only difference between the bookkeeping for the sole proprietorship and the partnership lies in the proprietorship accounts.
85. A corporation is an artificial being, invisible, intangible, and existing only in contemplation of law.

86. The ownership of a corporation is divided into units called shares.

87. A co-operative is formed by a group of people for the purpose of operating a business.

88. The profits of a corporation and those of a co-operative are given to its owners in the same way.

89. The fundamental principles of bookkeeping remain the same regardless of the type of business organization.

90. The earnings of a corporation are distributed to the stockholders.

91. Each stockholder in a co-operative is entitled to one vote regardless of the number of shares of stock he holds.

92. Each stockholder in a corporation is entitled to one vote for each share of stock he holds.

Key to Knowledge and Understanding Test

Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

1. A
2. B
3. B
4. B
5. A
6. C
7. B
8. B
9. G

43. Interest Income
44. Cash
45. A
46. B
47. B
48. A
49. A
50. B
51. True
10. 1 52. true
11. L 53. true
12. H 54. false
13. M 55. false
14. D 56. true
15. F 57. true
16. E 58. true
17. G 59. false
18. A 60. true
19. O 61. false
20. B 62. false
21. N 63. true
22. K 64. true
23. P 65. true
24. C 66. false
25. April 14, 1953 67. true
26. $500.00 68. true
27. Five Hundred and 00/100 Dollars 69. false
28. The Citizens National Bank 70. true
29. The Citizens National Bank, Bowling Green, Kentucky
30. 6% 71. true
31. Sixty days 72. false
32. June 13, 1953 73. true
33. Elroy P. Schmith 74. true
34. Accounts Payable 75. false
35. Notes Payable 76. false
36. Notes Receivable 77. true
<table>
<thead>
<tr>
<th>Question</th>
<th>Correct Answer</th>
<th>34.</th>
<th>35.</th>
<th>36.</th>
</tr>
</thead>
<tbody>
<tr>
<td>37. Accounts Receivable</td>
<td>false</td>
<td>86.</td>
<td>true</td>
<td>90.</td>
</tr>
<tr>
<td>38. Notes Payable</td>
<td>true</td>
<td>85.</td>
<td>true</td>
<td>91.</td>
</tr>
<tr>
<td>39. Cash</td>
<td>true</td>
<td>86.</td>
<td>true</td>
<td>92.</td>
</tr>
<tr>
<td>40. Interest Expense</td>
<td>false</td>
<td>87.</td>
<td>true</td>
<td></td>
</tr>
<tr>
<td>41. Accounts Receivable</td>
<td>false</td>
<td>88.</td>
<td>false</td>
<td></td>
</tr>
<tr>
<td>42. Notes Receivable</td>
<td>false</td>
<td>89.</td>
<td>true</td>
<td></td>
</tr>
</tbody>
</table>

**Pupil Test**

**Attitude Test**

**Practical Accounting**

Adapting Bookkeeping Methods to the Needs of the Business

There are no correct answers to this test. If you agree with the following statements, write "agree" in the space provided; if you disagree with the following statements, write "disagree" in the space provided.

1. Keeping records in business is a waste of time.
2. You should understand why as well as how in bookkeeping.
3. It is not important to study bookkeeping because few people keep their books in the same way.
4. The balance sheet should be analyzed for the purpose of improving your business conditions.
5. All ledger entries could be made without using the columnar journals.
6. Too much attention is paid to accuracy in bookkeeping.
7. Make neat erasures in your books.
8. The columnar journals are inconvenient.
9. The well-arranged ledger saves time.
10. Work sheets are invaluable to a bookkeeper.
11. Accounting for accruals is not important.
12. The books of the business should be kept so that tax information is always available.

13. The ledger should be proved everyday.

14. Everything that we have learned in bookkeeping has been based on the bookkeeping equation.

Pupil Test
Habit Test
Practical Accounting

Adapting Bookkeeping Methods to the Needs of the Business

Check the "Yes" or "No" column, whichever answers the question correctly.

Do you have the habit of:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Following your study guide?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Using &quot;How to Study&quot;?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Studying at regular hours?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Studying as soon after an assignment as possible?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Waiting until after a class discussion to study?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Going to sleep while studying?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Disagreeing with subject matter?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Using the scientific method when solving a problem?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Being a close observer?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Understanding the terminology?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Understanding the principle involved?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Making corrections properly?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Knowing why you made the error?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Recording transactions in the proper journal?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Ruling your books properly?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
16. Being accurate?
17. Asking questions about procedures that you do not understand?
18. Reading suggested readings?
19. Checking yourself on the work sheet?

Key to Habit Test
Practical Accounting
Adapting Bookkeeping Methods to the Needs of the Business

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Pupil Test
Appreciation Test
Practical Accounting
Adapting Bookkeeping Methods to the Needs of the Business

Check the "Yes" or "No" column, whichever answers the question correctly.

Do you appreciate:

1. The business transactions that are recorded by bookkeepers?
2. The profession of bookkeeping as an essential profession?
3. The job of the bookkeeper as a dignified vocation?
4. The job of the bookkeeper as being worthwhile?
5. The value of bookkeeping as a stepping stone to high
executive positions?

6. The indispensability of the knowledge of bookkeeping in everyday life?

7. Learning by doing processes of learning bookkeeping?

8. The value of accurate records?

9. The social value of bookkeeping?

10. The economical value of bookkeeping?

Key to Appreciation Test
Practical Accounting
Adapting Bookkeeping Methods to the Needs of the Business

The answer to each of the questions in the appreciation test should be yes.

Bibliography
Practical Accounting
Adapting Bookkeeping Methods to the Needs of the Business
Teacher


Forkner, Hamden L., "What is This Thing Called Clerical Record Keeping," The Balance Sheet, (Cincinnati, Chicago, etc., South-Western Publishing Company, November, 1947.)


Roberts, George E., The Services of a Bank, (Chicago, LaSalle Extension University, 1942.)


Walters, T. L., "Words and the Accountant," The Balance Sheet, (Cincinnati, Chicago, etc., South-Western Publishing Company, September, 1951.)

Pupil


Sherwood, J. F., and Boling, Clem, College Accounting, (Cincinnati, Chicago, etc., South-Western Publishing Company, 1948.)
Unit V
Useful Applications of Principles Studied
Using Bookkeeping in Life

Introduction

Bookkeeping is for everyone. There is no one that does not use bookkeeping. Each mercantile business is different, but every business is enough like every other business that a common set of principles will give the pupil the knowledge necessary to keep books for any one of them.

The non-mercantile business—personal, social, professional, farming—will be adherent to many of the principles learned in the preceding units. This unit should give the pupil useful applications of the principles he has learned; so that, he can use the knowledge he has gained in other than mercantile business application. The chief differences between the mercantile business and the non-mercantile business bookkeeping is found to be in the methods of reporting and in the typical accounts of those businesses.

When the pupil has completed this unit, he will have had studied all the principles of bookkeeping. It is not the writer's intention to leave the impression that his study of bookkeeping is finished here—learning is a continuous process.

Table of Contents for Unit V
Useful Applications of Principles Studied
Using Bookkeeping in Life

<table>
<thead>
<tr>
<th>I Title</th>
<th>349</th>
</tr>
</thead>
<tbody>
<tr>
<td>II Introduction</td>
<td>349</td>
</tr>
<tr>
<td>III Table of Contents</td>
<td>349</td>
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</tbody>
</table>
IV Criteria

V Grade Placement--Time Allotment

VI Central Theme

VII Objectives:
   A. Knowledge and Understanding of
   B. Attitudes toward
   C. Habits of
   D. Appreciations for

VIII Approaches

IX Development or Procedures:
   A. Bookkeeping and Budgeting--Personal and Social Applications
      1. Study Guide No. 1
      2. Subject Matter No. 1
      3. Activities No. 1
      4. Correlations No. 1
      5. Work Sheet No. 1
      6. Key to Work Sheet No. 1
   
   B. Bookkeeping for the Professional Man--Professional Applications
      1. Study Guide No. 2
      2. Subject Matter No. 2
      3. Activities No. 2
      4. Correlations No. 2
      5. Work Sheet No. 2
      6. Key to Work Sheet No. 2

   C. Bookkeeping for a Farmer--Applications for a Farmer
      1. Study Guide No. 3
2. Subject Matter No. 3
3. Activities No. 3
4. Correlations No. 3
5. Work Sheet No. 3
6. Key to Work Sheet No. 3

Culminating Activities

Desirable Outcomes
A. Knowledge and Understanding of
B. Attitudes toward
C. Habits of
D. Appreciations for

Leads to Other Units

Evaluation:
A. Teacher Evaluation
B. Pupil Test
1. Knowledge and Understanding of
2. Attitudes toward
3. Habits of
4. Appreciations for

Bibliography
A. Teacher
B. Pupil

Criteria for a Unit

Useful Applications of Principles Studied Using Bookkeeping in Life

---

1. The unit should involve a variety of direct sensory experiences.
2. The unit should provide for some free, informal association of the pupils.
3. The unit should provide an opportunity for manipulatives or bodily activities.
4. The parts of the unit should make a coherent whole.
5. The unit should provide a considerable amount of pupil activity.
6. The unit should be satisfying, or the anticipating of the outcomes should be satisfying.
7. The unit should provide sufficient concrete and illustrative material.
8. The unit of work should have a useful purpose in the present or future life of the pupil.
9. The unit should reproduce actual life situations as closely as possible.
10. The unit should utilize materials as they occur in life.
11. The unit should contain accurate information.
12. The unit should provide an opportunity for the pupil to originate, plan, and direct the activity as far as possible.
13. The unit should provide opportunities to judge, choose, and evaluate.
14. The unit should be within the time available for the unit.
15. The exposition should be clear enough to make it possible for a new teacher to put the unit into practice if she so desires.
16. The unit should state clearly where materials may be obtained.
17. When references are given, they should be clear and exact.

Grade Placement—Eleventh Grade

Time Allotment—Five Weeks

Central Theme—Using Bookkeeping in Life

Objectives
Useful Applications of Principles Studied

Using Bookkeeping in Life

A. Knowledge and Understanding of:
1. Bookkeeping and budgeting—Personal and social applications
2. Bookkeeping for the professional man—Professional applications
3. Bookkeeping for a farmer—Applications for a farmer

B. Attitudes toward:
1. Living within a budget
2. Bookkeeping as an aid in maintaining a home
3. The place of a bookkeeping system in an organization
4. Running an organization within a budget
5. Bookkeeping as an aid to the professional man
6. Bookkeeping as an aid to the farmer

C. Habits of:
1. Living within your budget
2. Planning to run your home systematically
3. Being accurate in keeping the books for your organization
4. Adapting the bookkeeping system to meet your own needs
5. Keeping good records on the farm

D. Appreciations for:
1. The place of bookkeeping and budgeting in the family life
2. The place of bookkeeping and budgeting in an organization
3. The professional man's need for bookkeeping
4. The farmer's need for bookkeeping

Approaches

Useful Applications of Principles Studied
Using Bookkeeping in Life

1. Collect and display family budget forms from financial organizations that furnish them.
2. Have the athletic director of your school explain how the athletic department is budgeted in the school.
3. Have the pupils visit some professional man in your community to talk about his bookkeeping system.
4. Have the county agent come to the school to explain the advantages of bookkeeping to the farmer.
5. Make a display that will show the different bookkeeping systems used by the family, the school, the professional man, and the farmer.

Study Guide No. 1
Bookkeeping and Budgeting
Personal and Social Applications

1. Should an individual keep a record of his personal transactions? Explain your answer.
2. What is the purpose of the budget for an individual?
3. How would you proceed to prepare a budget for yourself?
4. Is it desirable to make an immediate record of your personal transactions? Why?
5. How would you keep the books for your personal budget?
6. Explain why it is desirable to make a summary of the totals for each month of your personal budget.
7. How would you determine the number of and the designation of the columns in the columnar journal used to record your personal bookkeeping?
8. Explain how you would prove your bookkeeping at the end of the month.

9. Why should a family prepare a budget?

10. Why is it better for a family budget bookkeeping system to contain a ledger than to merely summarize the year's totals?

11. Explain the use of the chart of accounts in preparing a budget for a family.

12. Explain the use of the petty cash fund in family bookkeeping.

13. Explain the use of the statement of income and expenses.

14. What should be the first step in a high school social club's planning for a year's activities?

15. Why is accuracy so important in the keeping of high school records?

16. Explain the method of paying bills in the well-organized social club.

17. Is the two-column cash book preferred in high school social club bookkeeping? Explain your answer.

18. Explain why different organizations in the high school would have to have different types of bookkeeping systems.

19. Define the following terms:
   a. budget
   b. equipment record card
   c. membership record book
   d. recapitulation form
   e. receipt book
   f. social security card
   g. statement of income and expenses
   h. treasurer
   i. treasurer's report

References
Subject Matter No. 1

Bookkeeping and Budgeting

Personal and Social Applications

I. Bookkeeping and budgeting for the individual and the family

A. Need for personal and family bookkeeping records
   1. To make a more intelligent use of income
   2. To provide for savings
   3. To make funds available for recreation and luxuries

B. The beginning balance sheet
   1. List assets
   2. List liabilities
   3. Determine proprietorship

C. The personal or family budget
   1. Problem
      a. How much income will be available
      b. How should the available funds be expended
   2. Procedure in making a budget
      a. Check last year's budget
         (1) Record any changes in income
         (2) Determine fixed expenses
         (3) Adjust non-fixed expenses
      b. Set up a tentative budget
         (1) Income
(a) Salaries
(b) Commissions
(c) Other incomes

(2) Expenditures
(a) Automobile expense
(b) Clothing
(c) Donations
(d) Food
(e) Gifts
(f) Others

3. Accounting for the personal or family budget
   a. Books to be used
      (1) Combined cash journal
      (2) Ledger
   b. Work at the end of the fiscal period
      (1) Work sheet with adjustments
      (2) Closing the ledger
      (3) Statement of income and expense
          (a) Budget figures
          (b) Actual figures
      (4) Balance sheet

4. Revision of the budget
   a. Changes in income
   b. Changes in expenditures
   c. All revisions should be based on previous experiences

5. Federal income tax data
   a. All taxable income is listed
b. All deductible expenditures are listed

II Bookkeeping and budgeting for social organizations

A. Need for organizational records

1. To make plans for financial operations
2. To keep accurate records of income received
3. To keep accurate records of money spent
4. Members of organization are entitled to treasurer's report
5. Treasurer's reports will be the basis of many discussions

B. Budgeting for an organization

1. Estimated income
2. Estimated expenditures
3. Responsibility for the budget
   a. Special financial committee
   b. Executive committee
   c. Other committees

C. Accounting for an organization

1. Books to be used
   a. Immediate record of cash received
   b. Membership record book
   c. The two-column cash book
      (1) Receipts column
      (2) Expenditures column

2. Approval to pay bills
   a. Sponsor
   b. President
   c. Financial committee

3. Reports
a. Treasurer's report
   (1) Written report
      (a) Cash received
      (b) Cash spent
      (c) Cash balance on hand
   (2) Classification of items in the report
b. Comparison budget report
   (1) Submitted at the end of the year
   (2) Compares estimated budget with actual budget

4. Proof of accuracy of records
   a. Cash receipts must equal cash received
   b. Expenditures
      (1) Must have an approved invoice for each disbursement
      (2) Each paid invoice must be receipted by receiving party

D. Special accounting problems

1. Nature of organization must determine accounting problem
2. Special records may be required for some organizations

Activities No. 1

Bookkeeping and Budgeting

Personal and Social Applications

1. Have each pupil prepare a personal balance sheet.
2. Have each pupil prepare a personal budget.
3. Secure and display a budget for a family.
4. Secure and display a budget for a social organization.
5. Discuss the importance of maintaining a budget for a person, a family,
or a social organization.
6. Discuss the relationship between the budget and bookkeeping systems.

7. Have any of the pupils that have had experience with keeping books for a social organization tell of his experiences.

8. Discuss the reports required by social organizations.

9. Have the pupils complete the following exercises:
   - Exercise 64, page 393
   - Exercise 65, page 394
   - Exercise 66, page 405
   - Exercise 67, page 406
   - Exercise 68, page 422
   - Exercise 69, page 422
   - Exercise 70, page 423

10. Discuss the completed exercises.

Correlations No. 1

Bookkeeping and Budgeting

Personal and Social Applications

Arithmetic:
   - Have the pupils complete problems about percentages.
   - Have the pupils draw pie graphs of budgets.

Economics:
   - Discuss the topic: "Budgets."

Language:
   - Class discussion.

Reading:
   - Read the required subject matter from the textbook.
   - Read as many of the suggested readings as you can.
Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

- budget
- equipment record card
- membership record book
- recapitulation form
- receipt book
- social security card
- statement of income and expenses
- treasurer
- treasurer's report

Work Sheet No. 1

Bookkeeping and Budgeting

Personal and Social Applications

Cross out the word or phrase that makes the statement incorrect. After the word or phrase is crossed out, each statement should read correctly.

1. In personal bookkeeping, the memorandum book is used for a journal, an immediate record.

2. The estimate of the income anticipated and the expenditures for a future period of time is called a budget, a balance sheet.

3. If the employee changes his position, he is, is not issued a new social security card.

4. At the end of each month the column totals in the combined cash journal are recorded on the recapitulation form, on the line for that month, on the last line of the form.
5. A social organization needs to, does not need to make plans to control its expenditures.

In the space provided at the left of each statement indicate whether the statement is true or false.

___ 6. A social security card is issued to a person by the social security board.

___ 7. A person may have more than one social security number.

___ 8. The budget for some items—medical expense, vacations, recreation, gifts—is spent each month.

___ 9. A family needs to make plans to control its income and expense.

___ 10. The budget should not be considered in making long-range financial plans for a family.

___ 11. The petty cash fund in family budgeting is a necessity to a well-organized family budgeting program.

___ 12. Receipts in a receipt book should be filled in before the stub.

___ 13. The difference between the debit column and the credit column of the two-column cash book should equal the cash on hand.

___ 14. A social organization should run on a budget.

___ 15. The stubs in the receipt book should provide a record of all cash received.

The column of the left contains a list of bookkeeping terms, and the column on the right contains a list of definitions. In the space provided in the right-hand column, write the term that fits the definition.

budget

cash basis

combined cash journal

equipment record card

16. The ______ usually handles the business transactions of a social organization.

17. The ______ is the written plan with reference to the income and the expense.
18. The _______ is a bound book of blank receipt stubs with detachable blank receipts.
19. The _______ is a book that lists the names of all the members of an organization.
20. The _______ is a card that shows the equipment issued to and returned by each athlete.
21. The _______ is a statement of the receipts and payments prepared by the treasurer of an organization.
22. A _______ is an invoice marked paid by the creditor.

The Smith family record their expenditures in the expense accounts given in the chart of family expense accounts given below. In the space provided write the name of the account to be debited for each transaction.

**Chart of Family Expense Accounts**

<table>
<thead>
<tr>
<th>Account</th>
<th>Account</th>
<th>Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile Expense</td>
<td>Income Tax</td>
<td>Life Insurance Premiums</td>
</tr>
<tr>
<td>Church and Charity</td>
<td></td>
<td>Miscellaneous Operating Expense</td>
</tr>
<tr>
<td>Clothing</td>
<td></td>
<td>Miscellaneous Transportation</td>
</tr>
<tr>
<td>Education and Advancement</td>
<td></td>
<td>Personal</td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td>Recreation</td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Vacation expense _________</td>
<td>28. Automobile license _______</td>
<td></td>
</tr>
<tr>
<td>24. Premiums on life insurance policies _______</td>
<td>29. Depreciation on automobile ______</td>
<td>30. Streetcar tickets ______</td>
</tr>
<tr>
<td>25. Telephone _______</td>
<td>31. Social affairs ____________</td>
<td></td>
</tr>
<tr>
<td>27. Payments made on __________</td>
<td>33. Stationery _______________</td>
<td></td>
</tr>
</tbody>
</table>
in income taxes

34. Donations to churches

Key to Work Sheet No. 1

Bookkeeping and Budgeting

Personal and Social Applications

1. a journal
2. a balance sheet
3. is not
4. last line of the form
5. does not need to
6. true
7. false
8. false
9. true
10. false
11. true
12. false
13. true
14. true
15. true
16. treasurer
17. budget
18. receipt book
19. membership record book
20. equipment record card
21. treasurer's report
22. receipted invoice
23. Recreation
24. Life Insurance Premiums
25. Miscellaneous Operating Expense
26. Personal
27. Income Tax
28. Automobile Expense
29. Automobile Expense
30. Miscellaneous Transportation
31. Recreation
32. Education and Advancement
33. Personal
34. Church and Charity

Study Guide No. 2

Bookkeeping for the Professional Man

Professional Applications

1. Explain the necessity for the professional man to maintain a complete
and accurate set of books.

2. What is the purpose of the appointment book for a dentist, a doctor, or a beauty operator?

3. What information is shown on a dentist's patient's record card?

4. What immediate records are maintained by a dentist?

5. What immediate records are maintained by an attorney?

6. Explain the combined cash book maintained by a dentist.

7. Explain the combined cash book maintained by an attorney.

8. Discuss the similarities and the differences in the combined cash journals mentioned in items six and seven.

9. Discuss the petty cash fund as related to its use by the professional man.

10. What financial statement is prepared by the professional man to aid him in preparing his income tax returns?

11. How does the attorney designate money collected for his clients as from his own income?

12. How does the attorney designate money paid for his clients as from his own expenses?

13. Define the following terms:
   a. appointment book
   b. case docket
   c. collection docket
   d. patient's record card

References


Subject Matter No. 2

Bookkeeping for the Professional Man

Professional Applications

I Need of records for the professional man

A. For efficient management of his business

B. For income tax purposes

II Records for a dentist

A. Daily appointment book
   1. Daily charges to patient's accounts
   2. Cash collections from patients

B. Patient's record and ledger account card
   1. Filed in alphabetical order
   2. Record of work done
   3. Accounts receivable record of the patient

C. Combined cash journal

D. Work at the end of the fiscal period
   1. Close the books
   2. Work sheet
   3. Statement of income and expense
   4. Balance sheet

III Records for an attorney

A. Collection docket

B. Case docket
C. Combined cash journal

D. Work at the end of the fiscal period
   1. Close the books
   2. Work sheet
   3. Statement of income and expense
   4. Balance sheet

Activities No. 2

Bookkeeping for the Professional Man

Professional Applications

1. Display the blank forms used by a professional man—a doctor, a lawyer, or a dentist.
2. If it is possible, have a professional man visit your class.
3. Discuss the similarities and the differences in the bookkeeping systems of different professional men.
4. Discuss the terminology typical to bookkeeping for the professional man.
5. Have the pupils complete the following exercises:
   Exercise 71, page 435
   Exercise 72, page 436
6. Discuss the completed exercises.

Correlations No. 2

Bookkeeping for the Professional Man

Professional Applications

Arithmetic:

   Complete problems of addition and subtraction of decimals.

Economics:

   Discuss the topic: "The Place of Professions in Business."
Language:

The pupils will take part in the discussion of the special topic.

Class discussion.

Reading:

Read the subject matter in the textbook.

Outside reading will be required in order to discuss the special topic.

Spelling and Vocabulary:

Learn the meaning of the following terms:

Learn to spell the following terms:

- appointment book
- case docket
- collection docket
- patient's record card

Work Sheet No. 2

Bookkeeping for the Professional Man

Professional Applications

In the space provided at the left of each statement, indicate whether the statement is true or false.

1. The Federal income tax laws require the professional man to keep accurate records of all his income and expenses.

2. A dentist finds it desirable to maintain some special records for his profession.

3. The dentist's appointment book will not contain a record of all the daily charges to his patient's accounts.

4. The fee for the work done for the patient should be transferred from the appointment book to the patient's record card.
5. Cash collected for work done by the dentist is not recorded on the patient's record card.

6. The dentist's appointment book will record all the appointments made by the dentist.

7. All entries to the dentist's combined cash journal are made from the appointment book.

8. Fees that are to be charged to patients are determined at the time the appointment is made.

9. Most dentists maintain a separate record card for each of his patients.

10. Each professional man maintains a bookkeeping system to fit his own business.

11. The customer of an attorney is called a client.

12. The book for the attorney that corresponds with the dentist's appointment book is called a case docket.

13. Fundamentally the bookkeeping of the different professional men is more alike than it is different.

14. The attorney's collection docket is used to record all money collected for and remitted to the client.

15. The information provided by the statement of income and expense is used in preparing the income tax returns.

For each of the transactions given below, indicate the accounts affected by writing the proper account title for each account in the space provided.

16-17. Paid the February rent.

16. Debit ______

17. Credit ______


18. Debit ______

19. Credit ______

20-21. Recorded the employer's share of the social security taxes.
20. Debit ______ 21. Credit ______
22-23. Paid his personal income taxes.
22. Debit ______ 23. Credit ______
24-25. Recorded the depreciation on the office furniture.
24. Debit ______ 25. Credit ______

Key to Work Sheet No. 2

Bookkeeping for the Professional Man

Professional Applications

1. true 14. true
2. true 15. true
3. false 16. Rent Expense
4. true 17. Cash
5. false 18. Office Furniture
6. true 19. Accounts Payable
7. true 20. Social Security Taxes
8. false 21. Social Security Taxes Payable
9. true 22. Proprietor's Drawing
10. true 23. Cash
11. true 24. Depreciation of Office Furniture
12. true 25. Reserve for Depreciation of Office Furniture
13. true

Study Guide No. 3

Bookkeeping for a Farmer

Applications for a Farmer

1. Explain why it is desirable for a farmer to maintain complete and accurate
bookkeeping records of his farm operations.

2. Explain why the farmer, in most cases, keeps his books on the cash basis.

3. Why is the accounts receivable account missing from almost all farm bookkeeping systems?

4. What are the usual accounts payable found on the farmer's books?

5. Name the chief sources of income for the farmer.

6. Name some of the income accounts typical to farm bookkeeping.

7. Name some of the special accounts found only in farm bookkeeping.

8. Explain the legal aspects of the farmer's home in relation to farm bookkeeping.

9. How are the taxes and insurance on the farmer's house recorded in his farm bookkeeping?

10. Name some of the farmer's fixed assets.

11. Discuss the fixed assets of the farmer with relationship to depreciation.

12. Discuss the farmer's profit and loss statement with its similarities to and differences from the profit and loss statements that we have studied.

13. Are adjusting entries necessary in farm bookkeeping? Explain your answer.

14. Explain where the farmer gets his information for the preparation of his income tax return.

15. Define the following terms:
   a. accrual basis
   b. cash basis
   c. livestock purchased cost
   d. livestock purchased sales
   e. merchandise received for produce
   f. schedule of farm income and expense

References
I Need for records for a farmer
A. To show whether his business is profitable
B. To better manage his farming operations
C. To help plan future decisions
   1. What to produce
   2. Labor to be employed
   3. Amount of fertilizer to be used
   4. Others
D. To help him make correct income tax returns

II Basis of keeping records
A. Cash basis
   1. Characteristics
      a. No entry made for cash unless cash is received
      b. No entry made for an expenditure unless the disbursement is made
   2. Advantages
      a. Less time consuming
      b. Gives an average figure
c. No adjustment entries necessary

3. Disadvantages
   a. Records are not accurate
   b. All income for fiscal period is not recorded
   c. All expenditures for fiscal period are not recorded

B. Accrual basis

1. Characteristics
   a. All income earned is recorded
   b. All expenditures are recorded

2. Advantages
   a. Books give an accurate accounting
   b. All income for the fiscal period is recorded
   c. All expenditures for the fiscal period are recorded

3. Disadvantages
   a. Extra accounting is required
   b. Adjustment entries are required

III Accounting procedures for a farmer

A. Cash basis

1. Books used
   a. Combined cash journal
   b. Ledger
   c. Memorandum for receivables
   d. Memorandum for payables

2. Reports required
   a. Profit and loss statement
   b. Balance sheet

3. Preparing income tax returns
a. United States Treasury Department Form No. 1040 F
   (United States Schedule of Farm Income and Expense)

b. Only cash received reported

c. Only disbursements reported

B. Accrual basis

1. Books used
   a. Combined cash journal
   b. Ledger
   c. Subsidiary ledgers
      (1) Accounts receivable ledger
      (2) Accounts payable ledger
      (3) Others

2. Reports required
   a. Profit and loss statement
   b. Balance sheet

3. Typical accounting problems of farmers
   a. Typical accounts
      (1) Recording farm income
         (a) Produce sales
         (b) Livestock raised sales
         (c) Livestock purchased sales
         (d) Merchandise received for produce
         (e) Miscellaneous income
      (2) Recording farm expenditures
         (a) Feed purchased
         (b) Fuel and Oil
         (c) Labor
(d) Repairs and maintenance
(e) Seeds, etc., purchased
(f) Miscellaneous expenditures

b. The farmer's dwelling in farm bookkeeping
(1) Not considered as part of the farm business
(2) Handled through his drawing account

c. Adjusting and closing entries
(1) Adjusting entries
(a) Inventories
(b) Depreciation
(c) Deferred charges
(2) Closing entries
(a) The farmer has no cost accounts
(b) Income and expense accounts closed to profit and loss summary account
(c) Profit and loss summary account closed to the drawing account

d. Preparing income tax reports
(1) United States Treasury Form No. 1040 F
   (United States Schedule of Farm Income and Expense)
(2) All income reported
(3) All expenditures reported

Activities No. 3
Bookkeeping for a Farmer
Applications for a Farmer

1. Discuss the importance of a farmer's keeping books.
2. Display a bookkeeping system that will meet the needs of the average farmer.

3. Discuss the advantages of keeping books on the cash basis.

4. Discuss the farmer’s tax liability under the Federal income tax laws.

5. Discuss the typical terminology of bookkeeping for the farmer.

6. Have the pupils complete the following exercises:
   
   Exercise 73, page 447
   Exercise 74, page 448

7. Discuss the completed exercises.

Correlations No. 3

Bookkeeping for a Farmer

Applications for a Farmer

Arithmetic:

   Complete problems of addition and subtraction of decimals.

   Complete problems about depreciation.

Economics:

   Have a panel discussion on the topic: "The Farmer and Economic Stability."

Language:

   The pupils will take part in the panel discussion.

   Class discussion.

Reading:

   Read the subject matter in your textbook.

   Read an article on recording farm transactions.

Spelling and Vocabulary:

   Learn the meaning of the following terms:

   Learn to spell the following terms:
accrual basis
cash basis
livestock purchased cost
livestock purchased sales
merchandise received for produce
schedule of farm income and expenses

Work Sheet No. 3
Bookkeeping for a Farmer
Applications for a Farmer

Fill in the blank spaces with the word or phrase that will best complete the following statements.

1. A farmer filing an income tax return must include a form known as a

2. If income is not recorded until received, the books are said to be kept on the ______ basis.

3. If expenses are not recorded until paid, the books are said to be kept on the ______ basis.

4. If livestock is bought to be fed for a few months before it is sold, the transaction is debited to an account known as ______.

5. If you feed livestock for a few months and then sell it, you credit the sale to an account known as ______.

6. The value of merchandise for the family's use that is received in exchange for produce is debited to an account known as ______.

7. Repairs to the farm house used as a dwelling is debited to an account known as ______.

8. The value of merchandise for the family's use that is received in exchange
for produce is credited to an account known as ______.

In the space provided at the left of each statement indicate whether the statement is true or false.

____ 9. Farming is a business in the same sense that manufacturing is a business.

____ 10. A farmer should have a bookkeeping system that will show him whether he is making a profit on his business.

____ 11. A farm bookkeeping record is necessary as a basis for making correct income tax returns.

____ 12. The revenue department will accept bookkeeping records on either the cash or the accrual basis.

____ 13. Farmers generally maintain their books on the cash basis.

____ 14. If the cash basis of accounting is used, adjustments and inventories are made at the end of each fiscal period.

____ 15. Accounts receivable are listed on the balance sheet when the cash basis is used.

____ 16. Income is recorded as it is received in the cash basis.

____ 17. The depreciation expense on the farm house that the farmer uses as a dwelling is a deductible expense for income tax purposes.

____ 18. Insurance on the farmer's residence is a deductible expense for income tax purposes.

____ 19. Merchandise received in exchange for farm products is considered as an income for income tax purposes.

____ 20. Expenses are recorded in the cash basis whether or not they are paid.

Key to Work Sheet No. 3

Bookkeeping for a Farmer

Applications for a Farmer
Culminating Activities
Useful Applications of Principles Studied
Using Bookkeeping in Life

1. Display a series of pie graphs that will illustrate the budget of a person, a family, and an organization.

2. Display a completed set of books for a professional man.

3. Divide the class into several groups for the purpose of visiting professional men in your community. Each group will try to obtain:
   a. One copy of each blank accounting form used by the professional man.
   b. One typical accounting entry to be written on each form.

4. Display all the blank forms on which the typical entry has been made.

5. Discuss the similarities and differences in the forms and the methods of accounting used.

6. Display a completed set of farm books that have been prepared as a FFA project.

7. Have a debate: "Resolved that farmers should keep accurate records."
Desirable Outcomes

Useful Applications of Principles Studied

Using Bookkeeping in Life

A. Knowledge and Understanding of:

1. Bookkeeping and budgeting for the individual and the family
   a. Need for personal and family bookkeeping records
   b. The beginning balance sheet
   c. The personal or family budget
      (1) The problem
      (2) Procedure in making a budget
         (a) Check last year's budget
         (b) Set up a tentative budget
      (3) Accounting for the personal or family budget
         (a) Books to be used
         (b) Work at the end of the fiscal period
         (c) Revision of the budget
         (d) Federal income tax data

2. Bookkeeping and budgeting for social organizations
   a. Need for organizational records
   b. Budgeting for the social organization
   c. Account for the social organization
      (1) Books to be used
      (2) Approval to pay bills
      (3) Reports
         (a) Treasurer's report
         (b) Comparison budget report
   d. Proof of accuracy of records
e. Special accounting problems

3. Need for records for the professional man

4. Records for a dentist
   a. Daily appointment book
   b. Patient's record and ledger account card
   c. Combined cash journal
   d. Work at the end of the fiscal period

5. Records for an attorney
   a. Collection docket
   b. Cash docket
   c. Combined cash journal
   d. Work at the end of the fiscal period

6. Need for records for a farmer

7. Basis for keeping records
   a. Cash basis
      (1) Characteristics
      (2) Advantages
      (3) Disadvantages
   b. Accrual basis
      (1) Characteristics
      (2) Advantages
      (3) Disadvantages

8. Accounting procedures for the farmer
   a. Cash basis
      (1) Books to be used
      (2) Reports required
      (3) Preparing income tax returns
b. Accrual basis
   (1) Books to be used
   (2) Reports required
   (3) Preparing income tax returns

9. Typical accounting problems of farmers
   a. Typical accounts
      (1) Recording farm income
      (2) Recording farm expenditures
   b. The farmer’s dwelling in farm accounting
   c. Adjusting and closing entries
   d. Preparing income tax returns

B. Attitudes toward:
   1. The value of a budget for an individual
   2. The value of a budget for a family
   3. The beginning balance sheet used in making a budget
   4. The problem confronting a person or a family trying to make a budget
   5. Last year’s budget as a basis for making this year’s budget
   6. The tentative budget
   7. Sources of income
   8. Expenditures to be made
   9. Keeping the bookkeeping records
   10. Revising the budget to meet unexpected changes
   11. Paying income taxes
   12. Keeping records for an organization
   13. Preparing the necessary organizational reports
   14. Keeping records that are accurate
   15. Special accounting problems that arise
16. The necessity for the professional man to keep accurate records
17. The differences in forms of bookkeeping as used by professional men
18. The necessity for a farmer to keep accurate records
19. The use of the cash basis in farm bookkeeping
20. The disadvantages of the accrual basis in farm bookkeeping
21. The special problems in farm bookkeeping

C. Habits of:
1. Making a budget for yourself
2. Budgeting for a family
3. Making a beginning balance sheet before planning the budget
4. Using last year's budget as a basis for this year's budget
5. Making a tentative budget
6. Estimating the source and the amount of income
7. Controlling expenditures
8. Keeping the necessary bookkeeping records
9. Revising the budget to meet unexpected changes
10. Paying your income taxes
11. Saving money systematically
12. Keeping accurate records for an organization
13. Handling special accounting problems that may arise
14. Realizing the necessity for a professional man to keep accurate records.
15. Knowing the differences in methods of keeping books
16. Realizing the necessity for a farmer to keep accurate records
17. Using the cash basis for keeping records for a farmer
18. Being accurate in keeping accounting records
19. Knowing how to make correcting entries

D. Appreciations for:
1. The planning of the budget for an individual, a family, or an organization
2. The value of the budget in solving your financial problems
3. The relationship between income and expenditures
4. The problems confronting the finance committee of a social organization
5. The necessity for accurate records
6. The methods of proof of bookkeeping records
7. The necessity for the professional man's keeping records
8. The similarity and the difference in sets of books
9. The necessity for the farmer's keeping records
10. The cash basis for keeping records
11. The accrual basis for keeping records
12. The advantages and disadvantages or either the cash basis or the accrual basis for keeping records
13. The special problems that may arise in any bookkeeping system

Leads to Other Units
Useful Applications of Principles Studied
Using Bookkeeping in Life

The pupil has completed a full year of study in the field of beginning bookkeeping. It is hoped that his study will not end here; but instead, he will be interested enough in the subject to study a course in advanced bookkeeping. It is also hoped that even though he does not study further courses in bookkeeping, he will continue to use the knowledge he has gained from this study whenever it is possible.

The following units or topics of study have been covered during the year:

Unit I  The Bookkeeping Cycle in its Simplest Form
Unit II  Time-Saving and Labor-Saving Devices
Unit III  Small Business Bookkeeping
Unit IV  Adapting Bookkeeping Methods to the Needs of the Business
Unit V   Useful Applications of Principles Studied

Teacher Evaluation

Useful Applications of Principles Studied

Using Bookkeeping in Life

To what extent does the unit:

1. Involve a variety of direct sensory experiences?

2. Provide for free informal association of pupils?

3. Provide an opportunity for manipulative or bodily activity?

4. Make a coherent whole?

5. Provide a considerable amount of pupil activity?

6. Produce satisfying outcomes?

7. Provide sufficient concrete and illustrative materials?

8. Have a useful purpose in the present and future life of the pupils?

9. Reproduce actual life situations as far as possible?

10. Utilize materials as they occur in life?

11. Contain some accurate material?

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<thead>
<tr>
<th>Ex.</th>
<th>V.G.</th>
<th>G.</th>
<th>F.</th>
<th>P.</th>
<th>None</th>
</tr>
</thead>
<tbody>
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<td>✔</td>
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<td>✔</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
12. Provide opportunity for pupils to originate, plan, and direct activity as far as possible?

13. Provide opportunity to judge, choose, and evaluate?

14. End or lie within the available time?

15. Make it possible for a new teacher to put it into practice if she desires?

16. State clearly where materials may be obtained?

17. Give complete, exact references?

Pupil Test

Knowledge and Understanding Test

Useful Applications of Principles Studied

Using Bookkeeping in Life

Cross out the word or phrase that makes the statement incorrect. After the word or phrase is crossed out, each statement should read correctly.

1. In personal bookkeeping, the memorandum book is used for a journal, an immediate record.

2. The estimate of the income anticipated and the expenditures for a future period of time is called a budget, a balance sheet.

3. If the employee changes his position, he is, is not issued a new social security card.

4. At the end of each month the column totals in the combined cash journal are recorded on the recapitulation form on the line for that month, last line of the form.

5. A social organization needs to, does not need to make plans to control its
In the space provided at the left of each statement indicate whether the statement is true or false.

6. A social security card is issued to a person by the Social Security Board.

7. A person may have more than one social security number.

8. The budget for some items—medical expenses, vacations, recreations, gifts—is spent each month.

9. A family needs to make plans to control its income and expenditures.

10. The budget should not be considered in making long-range financial plans for a family.

11. The petty cash fund in family budgeting is a necessity to a well-organized family budgeting program.

12. Receipts in a receipt book should be filled in before the stub.

13. The difference between the debit column and the credit column of the two-column cash book should equal the cash on hand.

14. A social organization needs to run on a budget.

15. The stubs in the receipt book should provide a record of all cash received.

16. The Federal income tax law requires the professional man to keep accurate records of all his income and expenses.

17. A dentist finds it desirable to maintain some special records for his business.

18. The dentist's appointment book will not contain a record of all the daily charges to his patients' accounts.

19. The fee for the work done for the patient should be transferred from the appointment book to the patient's record card.
20. Cash collected for work done by the dentist is not recorded on the patient's record card.

21. The dentist's appointment book will record all the appointments made by the dentist.

22. All entries to the dentist's combined cash journal are made from the appointment book.

23. Fees that are to be charged to patients are determined at the time of the appointment.

24. Most dentists maintain a separate record card for each of his patients.

25. Each professional man has a bookkeeping system that fits his own profession.

26. The customer of an attorney is called a client.

27. The book of the attorney that corresponds with the dentist's appointment book is called a case docket.

28. Fundamentally the bookkeeping of the different professional men is more alike than it is different.

29. The attorney's collection docket is used to record all money collected and remitted to the client.

30. The information provided by the statement of income and expenses is used in preparing the income tax returns.

31. Farming is a business in the same sense that manufacturing is a business.

32. A farmer should have a bookkeeping system that will show him whether he is making a profit on his business.

33. A farm bookkeeping record is necessary as a basis for making correct income tax returns.

34. The revenue department will accept bookkeeping on either the cash or
accrual basis.

35. Farmers generally maintain their books on the cash basis.

36. If the cash basis of accounting is used, adjustments and inventories are made at the end of each fiscal period.

37. Accounts receivable are listed on the balance sheet when the cash basis is used.

38. Income is recorded as it is received in the cash basis.

39. The depreciation expense on the farm house that the farmer uses for a dwelling is a deductible expense for income tax purposes.

40. Insurance on the farmer's residence is a deductible expense for income tax purposes.

41. Merchandise received in exchange for farm produce is considered as income for income tax purposes.

42. Expenses are recorded in the cash basis whether they are paid or not.

The column on the left contains a list of bookkeeping terms, and the column on the right contains a list of definitions. In the space provided in the right-hand column write the term that fits the definition.

budget

cash basis

combined cash journal
equipment record card
membership record book
receipt book
received invoice
sponsor
treasurer
treasurer's report

43. The ______ usually handles the business transactions for a social organization.

44. The ______ is the written plans with reference to the income and expense.

45. The ______ is a bound book of blank receipt stubs with detachable blank receipts.

46. The ______ is a book that lists the names of all the members of an organization.

47. The ______ is a card that shows the equipment issued to and returned by each athlete.
48. The _______ is a statement of receipts and payments prepared by the treasurer of the organization.

49. A _______ is an invoice marked paid by the creditor.

The Smith family record their expenditures in the expense accounts given in the chart of family expense accounts given below. In the space provided write the name of the account to be debited for each transaction.

<table>
<thead>
<tr>
<th>Chart of Family Expense Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile Expense</td>
</tr>
<tr>
<td>Church and Charity</td>
</tr>
<tr>
<td>Clothing</td>
</tr>
<tr>
<td>Education and Advancement</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Health</td>
</tr>
</tbody>
</table>

50. Vacation expense ____________
51. Premiums on life insurance policies ____________
52. Telephone ____________
53. Personal gifts ____________
54. Payments made on income taxes ____________
55. Automobile License ____________
56. Depreciation on automobile ____________
57. Streetcar tickets ____________
58. Social affairs ____________
59. Books ____________
60. Stationery ____________
61. Donations to churches ____________

For each of the transactions given below, indicate the accounts affected by writing the proper account title of each account in the space provided.

62-63. Paid the March rent.
62. Debit _______
63. Credit _______

64-65. Bought furniture for the office from the Appert Company on account.
64. Debit _____ 65. Credit _____
66-67. Recorded the employer's share of the social security liability.
66. Debit _____ 67. Credit _____
68-69. Paid his personal income taxes.
68. Debit _____ 69. Credit _____
70-71. Recorded the depreciation on the office furniture.
70. Debit _____ 71. Credit _____

Fill in the blank spaces with the word or phrase that will best complete the following statements.

72. A farmer filing an income tax return must include a form known as a ______.

73. If income is not recorded until it is received, the books are said to be kept on the ______ basis.

74. If expenses are not recorded until they are paid, the books are said to be kept on the ______ basis.

75. If livestock is bought to be fed for a few months before it is sold, the transaction is debited to an account known as ______.

76. If you feed livestock for a few months and then sell it, you credit the sale to an account known as ______.

77. The value of merchandise for the family's use that is received in exchange for produce is debited to an account known as ______.

78. Repairs to the farm house used as a dwelling is debited to an account known as ______.

79. The value of merchandise for the family's use that is received in exchange for produce is credited to an account known as ______.

Key to Knowledge and Understanding Test

Useful Applications of Principles Studied
Using Bookkeeping in Life

1. a journal 41. true
2. a balance sheet 42. false
3. is not 43. treasurer
4. last line of the form 44. budget
5. does not need to 45. receipt book
6. true 46. membership record book
7. false 47. equipment record card
8. false 48. treasurer's report
9. true 49. receipted invoice
10. true 50. Recreation
11. true 51. Life Insurance Premiums
12. false 52. Miscellaneous Operating Expenses
13. true 53. Personal
14. true 54. Income Tax
15. true 55. Automobile Expense
16. true 56. Automobile Expense
17. true 57. Miscellaneous Transportation
18. false 58. Recreation
19. true 59. Education and Advancement
20. false 60. Personal
21. true 61. Church and Charity
22. true 62. Rent Expense
23. false 63. Cash
24. true 64. Office Furniture
25. true 65. Accounts Payable
26. true 66. Social Security Taxes
27. true 67. Social Security Taxes Payable
28. true 68. Proprietor's Drawing
29. true 69. Cash
30. true 70. Depreciation of Office Furniture
31. true 71. Reserve for Depreciation of Office Furniture
32. true 72. Schedule of Farm Income and Expense
33. true 73. Cash
34. true 74. Cash
35. true 75. Livestock Purchased Cost
36. false 76. Livestock Purchased Sales
37. false 77. Proprietor's Drawing
38. true 78. Proprietor's Drawing
39. false 79. Merchandise Received for Produce
40. false

Pupil Test

Attitude Test

Useful Applications of Principles Studied
Using Bookkeeping in Life

There are no correct answers for this test. If you agree with the following statements, write "agree" in the space provided; if you disagree with the following statements, write "disagree" in the space provided.

_____ 1. Bookkeeping records are of no value.
_____ 2. You should understand why as well as how in bookkeeping.
_____ 3. Studying bookkeeping is a waste of time; it has no value in life.
_____ 4. Every family should plan a budget.
_____ 5. A good treasurer is an asset to any organization.
6. Every individual should make a personal balance sheet.
7. I would not want to farm without keeping records.
8. I should live within my budget.
9. The income tax is one of the fairest taxes ever devised.
10. The fundamental principle of bookkeeping remains constant.
11. Accuracy is one of the most important lessons in bookkeeping.
12. A complete bookkeeping system will help a farmer do better farming.

Pupil Test
Habit Test
Useful Applications of Principles Studied
Using Bookkeeping in Life

Check the "Yes" or "No" column, whichever answers the question correctly.

Do you have the habit of:

1. Following your study guide?
2. Using "How to Study"?
3. Studying at regular hours?
4. Studying as soon after an assignment as possible?
5. Waiting until after a class discussion to study?
6. Going to sleep while studying?
7. Disagreeing with the subject matter?
8. Using the scientific method when solving a problem?
9. Being a close observer?
10. Understanding the terminology?
11. Understanding the principle involved?
12. Making corrections properly?
13. Making necessary reports?
14. Ruling each statement properly?
15. Being accurate?
16. Asking questions about procedures that you do not understand?
17. Reading current literature about bookkeeping?
18. Checking yourself on your work sheet?

Key to Habit Test

Useful Applications of Principles Studied

Using Bookkeeping in Life


Pupil Test

Appreciation Test

Useful Applications of Principles Studied

Using Bookkeeping in Life

Check the "Yes" or "No" column, whichever answers the question correctly.

Do you appreciate the:

1. Business transactions that are recorded by bookkeepers?
2. Profession of bookkeeping as an essential vocation?
3. Job of the bookkeeper as a dignified vocation?
4. Job of the bookkeeper as a worth-while vocation?
5. Value of bookkeeping as a stepping stone to success?
6. Indispensability of the knowledge of bookkeeping?  
7. Learning by doing process of learning bookkeeping?  
8. Value of an accurate record?  
9. Social value of bookkeeping?  
10. Economic value of bookkeeping?  
11. Use of bookkeeping in everyday life?

Key to Appreciation Test

Useful Applications of Principles Studied
Using Bookkeeping in Life

The answer to each of the questions in the appreciation test should be yes.

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CHAPTER IV
EVALUATION OF A COURSE OF STUDY

I. An Introduction to the Course of Study

To what extent does the course of study contain an introductory chapter containing:

A. An introduction?

B. A graphical representation to include:
   1. Steering committee?
      a. Purpose?
      b. Responsible agents?
      c. Advisory agents?
   2. Administration committee?
      a. Purposes?
      b. Responsible agents?
      c. Advisory agents?
      d. Sub-committees?
   3. Production committee?
      a. Purposes?
      b. Responsible agents?
      c. Advisory agents?
      d. Sub-committees?
   4. Evaluation committee?
      a. Purpose?
b. Responsible agents?
c. Advisory agents?
d. Sub-committees?

5. Evaluation committee?
   a. Purpose?
   b. Responsible agents?
   c. Advisory agents?
   d. Sub-committees?

6. Editing committee?
   a. Purpose?
   b. Responsible agents?
   c. Advisory agents?
   d. Sub-committees?

C. Steps in the curriculum organization to include:

1. Superintendent sensing the need of and initiating the program?

2. Education of the school board?

3. Selection of curriculum director?

4. Selection of curriculum specialists?

5. Determination of scope, length, size, and cost of program?
6. Establishment of the organization?
7. Organization and education of the educational staff?
8. State-wide community survey?
9. General and departmental aims?
10. Education method and teachings?
11. Production of course of study?
12. Installation of course of study?
13. Evaluation of the curriculum results?
14. Continuous publicity?
15. Continuous revision?

D. Philosophy of education to include:

1. Secondary schools are for the more able vs. Secondary schools are for all?
2. School is a place to learn subjects vs. School is a place to learn to live?
3. Make pupils more nearly alike vs. Develop differences in pupils?
4. Follow a predetermined curriculum vs. Class evolve their curriculum?
5. Uniform curriculum for all pupils
1. Individualized curriculum?

2. Following traditional methods and materials vs. Seeking new and untried methods and materials?

3. Emphasis on cultural values vs. Emphasis on practical values?

4. Emphasis on specialized training vs. Emphasis on general education?

5. Emphasis on information vs. Emphasis on attitude?

6. Much drill for thoroughness vs. Much reading and study for broad scholarship?

7. Mastery of facts vs. Learning to think?

8. Definite teacher control vs. Much control by pupils?

9. Principal chiefly as organizer and manager vs. Principal chiefly as supervisor of educational activities?

10. Emphasis on subject matter preparation of teachers vs. Emphasis on professional preparation of teachers?

11. School plant for school use vs. School plant for community use?

12. Plant fully equipped and self-
contained vs. Extension of plant by utilization of community agencies?

E. Principles to include:

1. Determine and state your philosophy of life, education, and the curriculum?

2. Set up a list of guiding principles?

3. Education has its foundation in the nature of society and in the nature of the individual?

4. Growth and development are continuous processes?

5. The school must recognize and provide for the shifting civilization?

6. A curriculum should be flexible enough to provide for individual differences in children, whatever these differences may be?

7. As far as possible, the curriculum program should embody the most advanced educational thought and method?

8. All subject matter should contribute to the objectives of education?

9. The units of instruction must be defined?
10. Curriculum making must be translated into better teaching?

11. Every teacher should participate in a curriculum construction program?

12. Public opinion fixes our educational creed and controls all our undertakings?

13. Curriculum making must be a function of every school?

14. A curriculum is continuous?

F. Terminology to include:

1. General terms; such as:
   a. Course of study?
   b. Curriculum?
   c. Habit?
   d. Philosophy?
   e. Unit?
   f. Other necessary terms?

2. Specific terms; such as:
   a. Account?
   b. Assets?
   c. Liabilities?
   d. Proprietorship?
   e. Sales?
   f. Other necessary terms?

G. Objectives of Education; such as:
1. Health, Physical and Mental?
   a. Knowledge and Understanding of?
   b. Attitudes toward?
   c. Habits of?
   d. Appreciation for?

2. Citizenship and Ethical Character?
   a. Knowledge and Understanding of?
   b. Attitudes toward?
   c. Habits of?
   d. Appreciation for?

3. Vocational and Avocational?
   a. Knowledge and Understanding of?
   b. Attitudes toward?
   c. Habits of?
   d. Appreciation for?

4. Command of the Fundamental Processes?
   a. Knowledge and Understanding of?
   b. Attitudes toward?
   c. Habits of?
   d. Appreciation for?

5. Worthy Home Membership?
   a. Knowledge and Understanding of?
   b. Attitudes toward?
   c. Habits of?
   d. Appreciation for?

6. World-Mindedness?
H. Objectives of bookkeeping outlined as to:
   1. Knowledge and Understanding of?
   2. Attitudes toward?
   3. Habits of?
   4. Appreciation for?

I. Structural pattern for the unit with:
   1. Title?
   2. Introduction?
   3. Table of contents?
   4. Criteria?
   5. Grade placement and time allotment?
   6. Central theme?
   7. Objectives outlined according to:
      a. Knowledge and Understanding of?
      b. Attitudes toward?
      c. Habits of?
      d. Appreciation for?
   8. Suggested approaches?
   9. Procedure containing:
      a. Study guides?
      b. Specific references?
c. How to study?
d. Subject matter?
e. Activities?
f. Correlations?
g. Work sheets?
h. Keys to work sheets?
10. Culminating activities?
11. Outcomes outlined according to:
   a. Knowledge and Understanding of?
   b. Attitudes toward?
   c. Habits of?
   d. Appreciation for?
12. Leads to other units?
13. Evaluation by means of:
   a. Teacher evaluation?
   b. Pupil tests:
      (1) Knowledge and Understanding Test?
      (2) Attitude Test?
      (3) Habit Test?
      (4) Appreciation Test?
14. Bibliography:
   a. Teacher?
   b. Pupil?

II. Development of the Course of Study in Units

To what extent does the course of study...
contain a second chapter containing:

A. A list of all units?
   1. The name of each unit?
   2. An introduction to each unit?
   3. A table of contents for each unit?
   4. The criteria for the evaluation for each unit?
   5. Grade placement and time allotment for each unit?
   6. Central theme for each unit?
   7. Objectives for each unit developed according to:
      a. Knowledge and Understanding of?
      b. Attitudes toward?
      c. Habits of?
      d. Appreciations for?
   8. Approaches for each unit that are:
      a. Arranged according to their importance?
      b. Specifically stated?
   9. Study guides for each unit containing:
      a. Define and specific questions?
      b. Specific references?
   10. How to study bookkeeping?
   11. Subject matter for each unit that is:
a. In outline form?
b. Definitely and specifically stated?

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b. Pupil?

III Evaluation of a Course of Study

To what extent does the course of study contain a third chapter containing a means of evaluating:

A. The introduction to the course of study?

B. The development of the course of study into units?

C. The evaluation of the course of study?

D. The bibliography for the course of study?

IV Bibliography

To what extent does the course of study contain a fourth chapter containing a bibliography of the study?

V Final Criteria

To what extent does the course of study contain a final criteria; such as:

A. Did the specific ways of teaching, learning, or supervision employed in this particular situation conform to the known principles of:

1. Good learning?

2. Good teaching?

3. Good supervision?
B. Did it conform to the dictates of:
   1. Common sense?
   2. Past experiences?

C. Did it work?

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CHAPTER V

SUMMARY

This thesis concerns a Course of Study for Beginning Bookkeeping. The study attempts to help the teacher of beginning bookkeeping create a greater interest among the pupils for beginning bookkeeping, and also, to aid the teacher in doing a better type of instruction in teaching beginning bookkeeping.

This study includes the introduction to bookkeeping that is usually taught as a full-year course in the eleventh grade.

This study includes some means of evaluation as well as the course of study developed in five units.

Data have been collected from:

1. State Department Courses of Study
2. Public School Courses of Study
3. Unpublished Theses on Courses of Study
4. Graduate Classes in Education
5. Textbooks on the Course of Study and Curriculum Development
6. Textbooks on Bookkeeping
7. Reading Books on Bookkeeping
8. Business Education Periodicals

Chapter II discusses the introduction to the course of study. This chapter contains the following:

1. The Organization Chart
2. Steps in Curriculum Organization
3. Philosophy of Secondary Education
4. Principles to Guide the Program
5. General Terminology
6. Specific Terminology
7. Objectives of Education
8. Objectives of Beginning Bookkeeping
9. The Structural Pattern for a Unit

Chapter III includes a list of the five units of beginning bookkeeping and their development:

Unit I The Bookkeeping Cycle in its Simplest Form
Unit II Time-Saving and Labor-Saving Procedures
Unit III Small Business Bookkeeping
Unit IV Adapting Bookkeeping Methods to the Needs of the Business
Unit V Useful Applications of Principles Studied

Chapter IV presents a means of evaluating the course of study.
Chapter V contains a summary of the thesis.
Chapter VI includes the bibliography of the study.
CHAPTER VI

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